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VIRGINIA:

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IN THE CIRCUIT COURT FOR THE CITY OF RICHMOND

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JOHN MARSHALL COURTS BUILDING

5

-----X
PHILIP MORRIS COMPANIES, INC., et al.,

6

7

-against-

Plaintiffs,

At Law No.
760CL94X
00816-00

8

AMERICAN BROADCASTING COMPANIES,
INC., et al.,

9

Defendants.

10

-----X

11

June 16, 1995
8:24 a.m.

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HIGHLY CONFIDENTIAL - TRADE SECRET

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Continued Videotaped Deposition of JAMES E.

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NARRON, taken by Defendants, pursuant to

17

Subpoena, at the offices of McGuire Woods Battle

18

& Boothe, Esqs., 901 East Carey Street, Richmond,

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Virginia before Lee A. Bursten, a Registered

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Professional Reporter and Notary Public within

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and for the Commonwealth of Virginia.

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MANHATTAN REPORTING CORP.

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MANHATTAN REPORTING CORP.

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08:22:36 3 THE VIDEO OPERATOR: Today is Friday,
08:24:06 4 June 16th, 1995. This is the continuation of
08:24:10 5 tape number 4 in the deposition of James Narron.
08:24:16 6 The time on the screen is 8:24:15. You're on the
08:24:18 7 record.

8 J A M E S E. N A R R O N ,
9 resumed, having been previously duly sworn, was
10 examined and testified further as follows:

11 CONTINUED EXAMINATION

08:24:18 12 BY MR. PAYTON:

08:24:20 13 Q. Good morning, Mr. Narron.

08:24:20 14 A. Good morning.

08:24:22 15 Q. I want to ask you a few questions
08:24:24 16 about how at Park 500 Philip Morris deals with
08:24:30 17 what you call the 75/25 requirement with regard
08:24:30 18 to the ingredients that go into product for
08:24:42 19 domestic use versus product for export.

08:24:42 20 Do you understand what I'm talking
08:24:44 21 about there?

08:24:48 22 A. When you say "deal," what does that
08:24:48 23 mean?

08:24:50 24 Q. Do you -- I'm just -- that's the
08:25:00 25 subject matter. When you make RL for export, the

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08:25:10 2 dry raw materials use input from outside the
08:25:14 3 United States; is that accurate? Do you get the
08:25:16 4 dry raw material from outside the United States?
08:25:18 5 MR. NUNLEY: You mean all of it,
08:25:20 6 John, or some portion of it?
08:25:22 7 MR. PAYTON: Some of it.
08:25:26 8 A. Maybe. I'm not sure. When we run
08:25:32 9 these blends, the leaf department sends us the
08:25:34 10 raw materials that goes with these blends to look
08:25:38 11 on the tags or -- that I don't know.
08:25:42 12 Q. The leaf department of Park 500?
08:25:44 13 A. No. Leaf department of Philip
08:25:46 14 Morris.
08:25:48 15 Q. When you have stems that you use in
08:25:54 16 RL, the majority of RL is from stem material,
08:26:00 17 isn't that right?
08:26:00 18 A. 75, 78 percent.
08:26:02 19 Q. And that's stored in a warehouse
08:26:06 20 somewhere?
08:26:06 21 A. Mm-hmm.
08:26:06 22 Q. Is that storage under the control of
08:26:12 23 Park 500 or under the control of the leaf
08:26:14 24 department?
08:26:16 25 MR. NUNLEY: At what point, John?

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08:26:16 2 MR. PAYTON: At the point where it's
08:26:16 3 stored.

08:26:18 4 A. Everything's under the leaf
08:26:20 5 department except when I receive it into my
08:26:22 6 receiving department to run it through the plant.

08:26:24 7 Q. So when you receive it it has been
08:26:26 8 blended?

08:26:28 9 A. No. I blend it in the blending
08:26:30 10 area.

08:26:38 11 Q. Do you know if there is separate
08:26:40 12 storage for stems that come from overseas versus
08:26:42 13 stems that are sourced domestically?

08:26:50 14 MR. NUNLEY: Objection as to form.

08:26:52 15 Q. Do you understand my question?

08:26:54 16 A. Are you talking at Park or Philip
08:26:58 17 Morris? I mean, warehousing?

08:27:00 18 A. At the warehouses.

08:27:02 19 Q. No, I don't know how they're stored.

08:27:24 20 Q. You are going to run a line 1 to make
08:27:40 21 RL for export. What do you do to get the dry raw
08:27:40 22 material? You order it?

08:27:44 23 A. Yes, we order it from the leaf
08:27:50 24 department.

08:27:50 25 Q. And what do you tell them?

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08:27:50 2 A. That I don't know. The receiving
08:27:52 3 supervisor orders it, but -- all I know is ^{we}~~it~~
08:27:58 4 uses the computer to send it in, but I don't
08:28:02 5 know, beyond that, what it is.

08:28:08 6 Q. Do you know if the dry raw material
08:28:16 7 that would come in pursuant to the order for the
08:28:18 8 export run would be labeled in a way that would
08:28:22 9 indicate that it was for export?

08:28:28 10 A. It would be labeled. Whether it
08:28:32 11 would say "for exports" or not, that I don't
08:28:32 12 know, but it would be labeled.

08:28:42 13 MR. NUNLEY: The transcript says "it
08:28:46 14 was safe for exports." I believe he said "it
08:28:52 15 would say for exports" as opposed to "safe."

08:29:06 16 Q. Now, with respect to the storage
08:29:14 17 tanks that store the DNCEL on each of the lines,
08:29:20 18 there ^{is}~~was~~ a storage tank for lines 1, 2, and 3,
08:29:24 19 separate storage tanks, correct?

08:29:24 20 A. Correct.

08:29:26 21 Q. And is there only one storage tank
08:29:26 22 per line? Is that right?

08:29:28 23 A. No. I don't know how many they have,
08:29:32 24 but I think they have two. I believe --

08:29:34 25 Q. You think they have two storage tanks

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08:29:34 2 per line?
08:29:36 3 A. For DNCEL?
08:29:38 4 Q. Yes, for DNCEL.
08:29:40 5 A. I believe that's correct.
08:29:40 6 Q. And that's so they can have whatever
08:29:42 7 that quantity is on hand?
08:29:44 8 A. To maintain the inventory we told
08:29:46 9 them they can go to but not beyond.
08:29:50 10 Q. And the storage tanks aren't one for
08:29:54 11 export and one for domestic, are they? They're
08:29:58 12 just for DNCEL?
08:29:58 13 A. Just for DNCEL.
08:30:24 14 Q. Before the 75/25 rule, which is a
08:30:32 15 couple of years ago, you don't remember, but at
08:30:34 16 some point in the '90s there is a 75/25 rule that
08:30:36 17 applies to domestic production.
08:30:42 18 A. Mm-hmm.
08:30:42 19 Q. Is that right?
08:30:42 20 A. (Witness nods in the affirmative.)
08:30:46 21 Q. Before that there would have been no
08:30:54 22 concern about taking DNCEL from a line that was
08:31:08 23 producing export and diverting it to a line that
08:31:10 24 was for domestic production; is that correct?
08:31:14 25 MR. NUNLEY: Objection as to form. I

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08:31:16 2 think it mischaracterizes his testimony.
08:31:20 3 A. No, I wouldn't say that's correct.
08:31:24 4 The word "no" is probably not accurate. The
08:31:36 5 blends that you run of raw materials and the
08:31:36 6 flavor systems that you have, depending on if
08:31:40 7 you're running RLBT or RLT, some of those you
08:31:46 8 can't interchange.
08:31:50 9 Q. But before the 75/25 rule, there were
08:31:56 10 occasions when DNCEL from a line that had been
08:32:06 11 running export would have been used to provide
08:32:08 12 DNCEL to a line that was being used for domestic
08:32:12 13 if the domestic line was low on DNCEL? There
08:32:18 14 would be occasions where that would happen?
08:32:18 15 MR. NUNLEY: Objection as to form.
08:32:24 16 A. I don't have any doubt either way.
08:32:26 17 If it's the same -- if we're running the same
08:32:32 18 blend, you know, the same raw materials and the
08:32:34 19 same flavor system, then there's no harm in it.
08:32:38 20 Q. As long as there's a match, you're
08:32:42 21 saying?
08:32:42 22 A. As long as -- the only difference
08:32:46 23 being one is export and one is domestic, then
08:32:48 24 there's no break point. It is the same -- if
08:32:50 25 that's the case, you can keep on going here.

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08:33:06 2 MR. NUNLEY: John, I don't want to
08:33:08 3 interject, but I wonder, the last answer, he says
08:33:10 4 the only difference being one is export and one
08:33:12 5 is domestic, I don't know -- I think I know what
08:33:20 6 he means there. I don't want to suggest what he
08:33:20 7 means.

08:33:22 8 You might want to ask him what he
08:33:22 9 means, one is export and one is domestic. Maybe
08:33:26 10 you don't want to do it, but I think the record
08:33:30 11 is unclear there. I think he's just talking
08:33:32 12 about...

08:33:36 13 Q. When you said the only difference is
08:33:46 14 one is export and one is domestic, were you
08:33:48 15 referring to the fact that one is made for the
08:33:52 16 export market and one is made for the domestic
08:33:54 17 market?

08:33:54 18 A. And if it's the same blend and the
08:33:56 19 same flavor system, one is packed in cases for
08:34:00 20 export and one is in ^{hogheads being} ~~bars, that would be~~ the only
08:34:04 21 difference, ^{then yes.} ~~yes.~~

22 (Narron Exhibit 15 for
23 identification, collection of memos.)

08:34:40 24 Q. Before you look at that, Mr. Narron,
08:34:52 25 before the 75/25 requirement went into effect, do

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08:34:54 2 you recall ever shedding DNCEL after an export
08:35:04 3 run because it was DNCEL produced on the export
08:35:06 4 line, for that reason?
08:35:12 5 A. Prior to the 75/25?
08:35:12 6 Q. Yes.
08:35:22 7 A. I can't answer that either way. I
08:35:24 8 don't know.
08:35:42 9 Q. You've just been handed what's been
08:35:46 10 marked Narron Exhibit 15, a collection of memos.
08:36:02 11 We'll go through them. The first one is a memo
08:36:06 12 from D.C. Saunders to a Mr. Mertz and Mr. Tudor,
08:36:08 13 and it attaches a series of other memos. It's
08:36:14 14 dated May 26, 1993. The production number is PA
08:36:26 15 385179 and it goes through -- ~~PA 385179~~ through
08:36:26 16 PA 385191, Philip Morris production number
08:36:26 17 2030284815 through 2030284827.
08:36:34 18 Have you seen this collection of
08:36:38 19 memos before?
08:36:44 20 A. You have to give me a chance to look
08:36:44 21 at it.
08:36:46 22 Q. Sure.
08:36:56 23 MR. NUNLEY: I don't have the
08:36:56 24 document with me, but Mr. Bhatia tells me that he
08:37:02 25 believes that he's at least seen what you've

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08:37:04 2 handed Mr. Narron with more documents attached to
08:37:08 3 it. I don't know whether there was one
08:37:14 4 production of this document or there ~~was~~ ^{was a} -- that
08:37:18 5 this doesn't include all that was produced. I
08:37:20 6 don't know one way or the other.

08:37:20 7 But we will investigate it, and if it
08:37:26 8 turns out it is -- there are other pages to it,
08:37:28 9 obviously if you attempt to introduce it at
08:37:30 10 trial, we will want to introduce the whole
08:37:30 11 thing.

08:37:32 12 MR. PAYTON: Okay.

08:40:02 13 Q. Do you ~~recall~~ ^{remember} seeing this before,
08:40:04 14 Mr. Narron?

08:40:06 15 A. ~~No~~. No Sir.

08:40:10 16 Q. How did you prepare for your
08:40:12 17 deposition today, Mr. Narron?

08:40:16 18 A. What was the question?

08:40:16 19 Q. How did you prepare for your
08:40:18 20 deposition?

08:40:20 21 A. I got up and had breakfast and drove
08:40:24 22 up here.

08:40:24 23 Q. I'm sorry. How did you prepare for
08:40:28 24 your deposition that started yesterday? Did you
08:40:30 25 review documents?

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08:40:32 2 A. No.

08:40:36 3 Q. You didn't review any documents in

08:40:36 4 preparing to come to your deposition yesterday?

08:40:44 5 A. I don't recall reviewing any

08:40:46 6 documents.

08:40:48 7 Q. You see on the second page of this

08:40:54 8 exhibit, the second page is a May 24, 1993 memo

08:40:58 9 from D.C. Saunders to SIT members. What is

08:41:02 10 that?

08:41:04 11 A. SIT.

08:41:06 12 Q. What is SIT?

08:41:06 13 A. System improvement team.

08:41:08 14 Q. And -- to you?

08:41:12 15 A. Yes.

08:41:12 16 Q. You don't recall receiving this memo?

08:41:14 17 A. No.

08:41:14 18 Q. What's the situation improvement

08:41:18 19 team -- system improvement team?

08:41:22 20 A. In a total quality environment where

08:41:26 21 you have total quality systems, systems

08:41:28 22 improvement team is made up of personnel that

08:41:34 23 have impact on the RL production facility

08:41:40 24 processes, and to have manpower resources

08:41:44 25 available that they can use to make assignments

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08:41:46 2 to, problem solving efforts and so forth.
08:41:52 3 And it's normally made up of the
08:41:56 4 production superintendents, maintenance
08:41:56 5 superintendents, lab service superintendents, and
08:42:02 6 one TQI superintendent.
08:42:10 7 Q. And in 1993, what were you in May of
08:42:16 8 1993?
08:42:18 9 MR. NUNLEY: You mean what was his
08:42:20 10 position at Philip Morris?
08:42:20 11 MR. PAYTON: Yes.
08:42:24 12 Q. What was your position at Philip
08:42:24 13 Morris?
08:42:24 14 A. In 1993 I was manufacturing
08:42:26 15 operations manager.
08:42:28 16 Q. Did the systems improvement team
08:42:32 17 report to you?
08:42:32 18 A. No.
08:42:38 19 Q. Were they organized by you?
08:42:38 20 A. Not personally by me.
08:42:40 21 Q. Do you know why you're being sent
08:42:42 22 this memo?
08:42:46 23 A. Mm-mm.
08:42:48 24 Q. No?
08:42:48 25 A. No.

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08:42:48 2 Q. Do you remember the issue that the
08:42:54 3 memo is addressing, liquor shedding and finished
08:43:00 4 sheet solubles? That's the subject identified
08:43:02 5 here.

08:43:04 6 A. Give me a minute to reread this
08:43:06 7 thing.

08:43:06 8 Q. Okay.

08:43:44 9 A. I don't know what he meant by this.
08:43:46 10 I can give you what I'm ^{guessing} ~~saying~~ it to be.

08:43:48 11 Q. You don't remember this problem?

08:43:52 12 A. This problem in 1993, no. I can
08:43:56 13 remember different times having problems with
08:43:58 14 yield and the amount that we shed and so forth
08:44:02 15 all through the years. I mean -- but this
08:44:04 16 particular one in '93, it may have been one of
08:44:10 17 those. I don't know.

08:44:10 18 Q. There was a continuing problem over
08:44:12 19 the years of how much solubles you were getting
08:44:18 20 under the sheet and how much solubles you were
08:44:20 21 shedding?

08:44:20 22 MR. NUNLEY: Objection as to form. I
08:44:24 23 don't think he used the word "continuing."

08:44:26 24 A. There's been, since the plant was
08:44:30 25 built, efforts to try to increase yield in the

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08:44:30 2 plant. And throwing away solubles doesn't
08:44:32 3 increase yield. So anything that contributes to
08:44:34 4 low yield we have addressed many, many times,
08:44:38 5 trying to find solutions to it.
08:44:42 6 Q. Is D.C. Saunders Dawn Saunders?
08:44:44 7 A. Yes.
08:44:46 8 Q. And what was her position? I take it
08:44:48 9 that's a woman.
08:44:48 10 A. She was superintendent of process
08:44:54 11 engineering.
08:45:04 12 Q. Who is Mr. Mertz? He's the recipient
08:45:14 13 of the first memo, and if you turn to the page 3,
08:45:16 14 he's the author of a memo to Dawn Saunders. Who
08:45:22 15 is Mr. Mertz?
08:45:26 16 A. Somewhere in this time frame, he was
08:45:28 17 in one or two jobs. At this point in time I
08:45:32 18 don't know which one he was in. He was a process
08:45:36 19 coordinator at one point in time that worked in
08:45:38 20 the process engineering group. And then after
08:45:42 21 that he became one of the line SPC coordinators
08:45:48 22 for the RL line. I don't know if he has lines 1
08:45:50 23 and 2 or if he had line 3, but he had one of
08:45:52 24 those.
08:46:04 25 Q. Turn to page 3, just the memo from

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08:46:06 2 Mr. Mertz to Dawn Saunders. It's dated 5/24/93.
08:46:14 3 (Witness complies.)
08:46:14 4 Q. Do you see that?
08:46:14 5 A. PA 385181?
08:46:18 6 Q. That's it.
08:46:18 7 A. Okay.
08:46:18 8 Q. There's a -- the two numbers at the
08:46:22 9 bottom, number 1 says "At times we are not
08:46:28 10 putting the amount of solubles on the sheet that
08:46:32 11 we think we are, refractive index." Do you
08:46:34 12 recognize that as a problem you were aware of,
08:46:34 13 familiar with? Or do you even know what that
08:46:40 14 means?
08:46:42 15 A. I know generally what that means.
08:46:44 16 Q. What's that mean?
08:46:44 17 A. The lab does what they call a
08:46:46 18 refractive index that is the measurement that
08:46:56 19 they use to ensure that the percent solubles on
08:46:56 20 the finished sheet are exact. It can be off a
08:47:00 21 half percent here or there, and that's what they
08:47:02 22 use to check their equipment and so forth to
08:47:06 23 ensure that's accurate.
08:47:06 24 Q. And what does it mean, that we're not
08:47:12 25 putting the amount of solubles in the sheet that

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08:47:12 2 we think we are, refractive index?
08:47:16 3 MR. NUNLEY: Objection. I think it
08:47:18 4 calls for speculation. But you can answer if you
08:47:20 5 know, Jim.
08:47:30 6 A. I can give you a guess. That's the
08:47:32 7 best I can do.
08:47:40 8 Q. I don't want you to guess. Turn to
08:47:40 9 page 4.
08:47:40 10 (Witness complies.)
08:47:50 11 Q. Do you see the chart in the middle of
08:47:52 12 4, which is average raw material percent soluble
08:47:54 13 content for the years '91, '92 and '93, and for
08:47:58 14 the different lines?
08:48:00 15 A. Mm-hmm.
08:48:00 16 Q. Do you see, for example, it says '91,
08:48:08 17 lines 1 and 2, 48.22, it goes up to '93, lines 1
08:48:08 18 and 2, to 49.64. Is this consistent with your
08:48:12 19 memory of what you were generating as far as
08:48:14 20 soluble content on the sheet?
08:48:18 21 MR. NUNLEY: Objection as to form.
08:48:24 22 You said "soluble content on the sheet"?
08:48:24 23 MR. PAYTON: Yes.
08:48:24 24 MR. NUNLEY: That's not what this
08:48:26 25 is.

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08:48:26 2 MR. PAYTON: I'm sorry. Of the raw
08:48:30 3 material content.

08:48:30 4 A. It's in the ranges that I've seen,
08:48:32 5 yes.

08:48:48 6 Q. Do you want to turn to the next
08:48:50 7 page.

08:48:52 8 (Witness complies.)

08:48:52 9 A. All right.

08:48:56 10 Q. This is page 5, says, "DNCEL shed to
08:49:14 11 tanker. Over the past 12 months, line 1 shed the
08:49:16 12 most DNCEL solubles poundage to the tanker.
08:49:20 13 Theoretically one would think line 2 running the
08:49:22 14 RLB flavors would have the highest poundage of
08:49:24 15 solubles wasted to the tanker due to the fact
08:49:28 16 that it remains on the RLB flavor throughout the
08:49:32 17 year."

08:49:34 18 Was line 2 running RLB flavors
08:49:38 19 throughout the year?

08:49:40 20 MR. NUNLEY: Which year, John?

08:49:46 21 MR. PAYTON: I think that is '91,
08:49:46 22 January '91 through December '91, which is the
08:49:50 23 date right beneath that paragraph.

08:49:52 24 Q. But you can -- "Data collected from
08:49:58 25 '91" is the next full sentence in that same

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08:50:00 2 paragraph. So I assume this is '91. Was line 2
08:50:06 3 running RLB flavors throughout the year, '91? Do
08:50:06 4 you know?
08:50:08 5 A. No, I don't know.
08:50:12 6 Q. The parenthetical which comes next
08:50:14 7 says, "RLB flavors account for 17 to 24 percent
08:50:18 8 of the prep volume plus the fact that these
08:50:20 9 flavors contain solubles." Are you familiar with
08:50:26 10 the RLB flavors? I think you've been mentioning
08:50:28 11 them. Are you familiar with them?
08:50:30 12 A. To some extent. I don't know every
08:50:34 13 ingredient in it, but I know some of them.
08:50:34 14 Q. Do you know that the RLB flavors
08:50:36 15 contain solubles?
08:50:38 16 MR. NUNLEY: John, let me just
08:50:40 17 correct your terminology. I think the company
08:50:42 18 refers to RLB as a flavor, and its constituents
08:50:48 19 as ingredients.
08:50:52 20 MR. PAYTON: Even though this says
08:50:52 21 "RLB flavors," do you see that?
08:50:54 22 MR. NUNLEY: Maybe I'm wrong. You
08:50:56 23 can ask the witness, but that's my understanding.
08:50:58 24 Q. Are you familiar with just the
08:51:00 25 description, RLB flavors, Mr. Narron?

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08:51:08 2 A. Yes, I've heard that term.

08:51:08 3 Q. Is there more than one RLB flavor?

08:51:14 4 A. When we say "RLB flavors," what

08:51:18 5 people normally are referring to are things that

08:51:20 6 make up the B formula, the flavors within that.

08:51:24 7 MR. NUNLEY: Then I'm wrong.

08:51:26 8 A. So there's more than one.

08:51:28 9 Q. Do the RLB flavors contain solubles?

08:51:36 10 A. RLB flavors contain solubles? When

08:51:42 11 you say "solubles," are they soluble or do they

08:51:48 12 contain tobacco solubles, or -- when you say

08:51:48 13 "solubles," what are you referring to?

08:51:54 14 Q. I'm actually just trying to find out

08:51:56 15 the answer. I don't know, when this says "The

08:52:00 16 fact that these flavors contain solubles," I'm

08:52:02 17 wondering if you know what that's referring to,

08:52:04 18 what solubles the RLB flavors contain.

08:52:12 19 A. No, I would not.

08:52:18 20 Q. *Do you know-- what are*
^ ~~What are~~ the other flavors? There's

08:52:22 21 RLB --

08:52:24 22 A. And there's RLT, cooked flavors.

08:52:28 23 Q. And do you know if RLT contains any

08:52:32 24 solubles?

08:52:32 25 MR. NUNLEY: Objection. I think you

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08:52:34 2 need to clear up, are you talking about tobacco
08:52:38 3 solubles or are you talking about materials
08:52:38 4 soluble in water?
08:52:40 5 MR. PAYTON: I'm talking about, for
08:52:42 6 now, any solubles.
08:52:48 7 A. I assume that the -- all of the
08:52:56 8 flavors are ^{soluble}~~solubles~~, because we put it into the
08:53:00 9 size batch. But other than that, I either don't
08:53:02 10 understand the question or don't know how to
08:53:04 11 answer it. They're put into the liquor stream
08:53:08 12 and applied to the sheet, so I'm assuming they're
08:53:08 13 soluble.
08:53:10 14 MR. NUNLEY: Excuse me. The
08:53:12 15 transcript says, "I assume that the -- all of the
08:53:14 16 flavors are solubles." Did you say "are
08:53:16 17 solubles" or did you say "are soluble"?
08:53:18 18 THE WITNESS: Soluble.
08:53:28 19 Q. Do you know if the RLB flavors
08:53:32 20 contain tobacco solubles?
08:53:38 21 A. Not that I know of.
08:53:40 22 Q. Do you know if the RLB flavors
08:53:44 23 contain alkaloids or nicotine?
08:53:48 24 A. Not that I know of.
08:53:50 25 Q. Do you know one way or the other?

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08:53:56 2 A. I've seen no data of what the
08:53:56 3 compounds are that make those up, no.

4 (Narron Exhibit 16 for
5 identification, Park 500 interoffice
6 correspondence from Kathy Hansen to Cherri
7 Spellmeyer.)

08:56:02 8 Q. Mr. Narron, before I ask you about
08:56:04 9 that exhibit, how familiar are you with the
08:56:08 10 flavors and the additives that go into RL?

08:56:14 11 MR. NUNLEY: Objection as to form.

08:56:20 12 A. I don't know what we mean when we say
08:56:24 13 "familiar." I know --

08:56:26 14 Q. How knowledgeable are you?

08:56:28 15 A. I know we have an additive list, we
08:56:30 16 have a range of what that is to go into the
08:56:32 17 finished sheet, we check it ^{at both} ~~at~~ the prep tank and
08:56:38 18 the finished sheet.

08:56:44 19 Q. You've been handed what's been marked
08:56:46 20 Narron Exhibit 16, a two-page document dated 26
08:56:52 21 March 1991, a Park 500 interoffice correspondence
08:56:56 22 from Kathy Hansen to Cherri Spellmeyer, PA 293880
08:57:04 23 to PA 293881, or 2031032585 to 2586.

08:57:14 24 You see on the distribution that
08:57:18 25 you're on the distribution list. The subject of

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08:57:24 2 the memo is "Additive usage reporting." Do you
08:57:30 3 recognize this document? Have you seen this
08:57:32 4 before?

08:57:54 5 A. No. This particular document I don't
08:58:00 6 recall seeing.

08:58:02 7 Q. Do you know what the additive
08:58:02 8 inventory is?

08:58:06 9 A. Yes.

08:58:06 10 Q. What is it?

08:58:06 11 A. Aside from a measurement in the size
08:58:16 12 prep tank, in the finished sheet, we know how
08:58:18 13 many pounds were made and what the additive
08:58:20 14 percentage is in that finished sheet. So we go
08:58:24 15 back and correlate that to the inventory of that
08:58:28 16 ingredient. ~~It may have~~ ^{We have} two pallets, ^{at startup, one at the end} and how
08:58:36 17 does that correlate.

08:58:56 18 Q. Let me ask you to go down to the
08:58:58 19 second set of numbers on the first page. The
08:59:02 20 first one says, "Change in BH rejects," do you
08:59:04 21 see that?

08:59:10 22 A. No. Hold on a minute. "Change in" --

08:59:16 23 Q. "BH rejects will be added to good
08:59:16 24 production to make up the denominator in percent
08:59:18 25 used in calculation."

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08:59:20 2 A. I see that.

08:59:20 3 Q. Do you know what BH rejects are?

08:59:36 4 A. I believe that BH is before Hauni.

08:59:42 5 Q. I didn't know what the -- before

08:59:46 6 Hauni? What's Hauni?

08:59:56 7 A. It's a rotary dryer.

09:00:22 8 Q. Who is Cherri Spellmeyer? She's the

09:00:24 9 recipient of this memo.

09:00:34 10 A. She was a laboratory service

09:00:36 11 superintendent and then she became a total

09:00:38 12 quality superintendent. Which one at this time,

09:00:44 13 I don't know for -- I'm guessing, but I'm not

09:00:44 14 sure, she was probably the -- she was probably

09:00:46 15 the laboratory service superintendent at that

09:00:54 16 time.

17 (Narron Exhibit 17 for

18 identification, February 25, 1994 Philip Morris

19 interoffice correspondence, from Jay Swain to G.

20 Parker.)

09:01:32 21 Q. Mr. Narron, you've been handed what's

09:01:34 22 been marked Narron 17, a February 25, 1994

09:01:44 23 interoffice correspondence, Philip Morris, from

09:01:48 24 Jay Swain to G. Parker, entitled "Park 500 trials

09:01:50 25 of alternate flavors and test blend." Production

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MANHATTAN REPORTING CORP.

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09:01:58 2 number PA 316147 and PA 316148 or 2025324142 to
09:02:04 3 4143.
09:02:12 4 Look on the second page, you'll see
09:02:14 5 you're on the distribution of this memo as well.
09:02:18 6 Do you see that?
09:02:18 7 A. Yes.
09:02:22 8 Q. Do you remember the Park 500 trials
09:02:24 9 of alternate flavors and test blend?
09:02:34 10 A. I remember running some trials, yes.
09:02:38 11 Q. Trials of alternate flavors?
09:02:40 12 A. I don't remember if the trial was the
09:02:52 13 same flavor, it was a liquid versus a solid.
09:02:56 14 Alternate flavors -- if that can be called
09:03:04 15 alternate flavors, that I remember.
09:03:06 16 Q. Could you just tell me what happens
09:03:08 17 when you run a trial or a test? You're going to
09:03:18 18 do a test of something at Park 500, a new flavor
09:03:26 19 is added. What happens?
09:03:30 20 A. If it's flavor, it's the same as any
09:03:34 21 test. It would be -- any test that we run, the
09:03:42 22 laboratory service superintendent and the
09:03:44 23 production -- that line superintendent have to
09:03:52 24 agree on it, and then they agree on how to run
09:03:54 25 the test, what has to be done in order to run the

1 Narron - Highly Confidential - Trade Secret
09:03:54 2 test, agree on a timing -- timing of that, what
09:03:58 3 day they want to run it.
09:04:00 4 Sometimes you run it and some R&D
09:04:02 5 people are present, so you have to get all of
09:04:04 6 those things together. Then they already give
09:04:06 7 that assignment to probably a coordinator who
09:04:10 8 oversees it, and then they produce that product.
09:04:14 9 Q. ~~Let's say you're going to run~~
 ~~Let's assume you have to run~~ the test
09:04:16 10 on line 1, let's just assume that. Do you have
09:04:16 11 to shut the line down to ~~run~~ ^{start} the test?
09:04:20 12 A. It would depend on ~~how you do~~ ^{what you're doing in} the
09:04:20 13 test. Sometimes yes, sometimes no.
09:04:24 14 Q. Suppose what you were testing was new
09:04:30 15 blend of dry raw materials.
09:04:34 16 MR. NUNLEY: Is that the question,
09:04:36 17 John?
09:04:36 18 MR. PAYTON: Yes.
09:04:38 19 MR. NUNLEY: Objection as to form.
09:04:46 20 A. It would depend on how much you
09:04:50 21 changed it and how much product you were trying
09:04:50 22 to make for the test.
09:04:56 23 Q. Okay. So you may have to shut it
09:04:56 24 down to start the test?
09:04:58 25 A. May.

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09:05:00 2 Q. And when you get to the end of the
09:05:02 3 test, if you were running 100,000 pounds, I don't
09:05:10 4 know how long that takes, but if you were running
09:05:12 5 that much, do you shut down at the end?

09:05:14 6 MR. NUNLEY: Objection as to form. I
09:05:16 7 think, given the limited variables you've given
09:05:18 8 him, it just calls for speculation.

09:05:24 9 Q. You've run that size of test?

09:05:24 10 A. Yes. But it depends on what you
09:05:28 11 changed and so forth. If it's a minute change
09:05:34 12 and that product is blendable without changing
09:05:34 13 subjectives and ^{it's been approved} ~~needing approval~~, then you won't
09:05:38 14 have to make the change, the transition in
09:05:40 15 between the tests.

09:05:42 16 If it has not been, and you're doing
09:05:42 17 a test to find out if the subjectives will be
09:05:46 18 approved or not, then yes, you have to make a
09:05:48 19 clean break.

09:05:52 20 Q. What did you mean ^{when you said} if the product is
09:05:54 21 ^{blendable} ~~blendable~~? You mean if the subjectives are the
09:05:56 22 same as the subjectives of a product that's in
09:05:58 23 production?

09:05:58 24 A. Of something we made, yes.

09:06:04 25 Q. So if the product is blendable, you

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09:06:04 2 may not have to shut down at the end?

09:06:08 3 A. May not.

09:06:10 4 Q. Let's suppose you do shut down at the

09:06:18 5 end. What does that mean? Does that mean you --

09:06:18 6 what do you do, for example, with the DNCEL that

09:06:22 7 was generated by the test run?

09:06:30 8 A. It could be thrown away, or it could

09:06:34 9 be reused.

09:06:36 10 Q. Who decides that?

09:06:42 11 A. R&D.

09:06:52 12 Q. And what happens to the product, the

09:06:56 13 RL that comes out?

09:06:58 14 MR. NUNLEY: Of the test run?

09:06:58 15 MR. PAYTON: Yes.

09:07:02 16 A. In the case which you just ^{given} ~~give~~ an

09:07:06 17 example of, it goes to R&D, segregating goes to

09:07:10 18 R&D.

09:07:14 19 Q. Is it sometimes sent to a warehouse,

09:07:16 20 or do you know?

09:07:18 21 A. I don't know. I know -- the ones

09:07:22 22 that I know about have been shipped directly to

09:07:24 23 R&D, special container, vehicle, truck and so

09:07:28 24 forth.

09:08:16 25 Q. Looking at the memo that's in front

1 Narron - Highly Confidential - Trade Secret
09:08:20 2 of you, Exhibit 16 -- 17 --

09:08:22 3 MR. NUNLEY: John, before you ask any
09:08:24 4 more questions on this, let me just say that this
09:08:28 5 is an R&D document. It's dated February 25 of
09:08:30 6 '94, three days, I guess, before ^{your} the program.

09:08:36 7 And it talks about tests that were not even
09:08:36 8 scheduled to be done until March 14 of '94.

09:08:40 9 So I think that it's clear that none
09:08:46 10 of this involved product that was manufactured
09:08:46 11 and sold in the United States during the relevant
09:08:52 12 time period. So I think that it's -- by the
09:08:52 13 Court's directions on discovery, is irrelevant.

09:09:12 14 Q. Mr. Narron, is this an R&D document?
09:09:20 15 It's a Park 500 document.

09:09:26 16 A. Well, the top doesn't say "Park
09:09:26 17 500." I think we have our own letterhead at the
09:09:28 18 top that says "Park 500." And Mr. Swain, who
09:09:34 19 it's from, is an R&D personnel.

09:09:36 20 Q. Who is Parker?

09:09:36 21 A. He's a process coordinator in the
09:09:40 22 process engineering group at Park 500.

09:09:48 23 Q. Are you familiar with either of these
09:09:50 24 two flavor formulations that are mentioned here,
09:09:52 25 SFC 504 and 505?

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09:10:04 2 A. Where are you at, in the middle of

09:10:06 3 the page here?

09:10:06 4 Q. Yes.

09:10:12 5 A. No, I'm not. No.

09:10:40 6 Q. Are you familiar with the tests of

09:10:46 7 Takasago liquid flavors?

09:10:52 8 A. Takasago?

09:10:54 9 Q. Do you know what Takasago is?

09:10:56 10 A. No.

09:10:56 11 Q. You never heard of Takasago?

09:10:58 12 A. No, I'm not familiar with that. No.

09:11:04 13 Q. What about Chart? Do you know what

09:11:06 14 Chart is?

09:11:08 15 A. It's C-H-A -- Chart?

09:11:10 16 Q. Yes.

09:11:12 17 A. No, I'm not -- I don't know what that

09:11:14 18 means.

09:11:14 19 Q. Flavor house named Chart?

09:11:18 20 A. No.

09:11:20 21 MR. NUNLEY: Takasago is

09:11:28 22 T-A-K-A-S-G-O -- S-A-G-O.

23 (Narron Exhibit 18 for

24 identification, August 7, 1989, Park 500

25 interoffice correspondence from C.U. Spellmeyer

1 Narron - Highly Confidential - Trade Secret
2 to distribution.)

09:12:44 3 Q. Mr. Narron, you've been handed what's
09:12:50 4 been marked Narron Exhibit 18, August 7, 1989,
09:12:56 5 Park 500 interoffice correspondence from C.U.
09:12:56 6 Spellmeyer to distribution. You'll see you're on
09:12:58 7 the distribution. "Subject to this notice of
09:13:00 8 specification change," it has a production number
09:13:10 9 of PA 473640 and 2030961246.

09:13:26 10 Do you remember receiving this? You
09:13:26 11 just don't remember?

09:13:28 12 A. No, I get so many, I can't recall the
09:13:30 13 exact one.

09:13:36 14 Q. I think we talked yesterday about
09:13:36 15 the -- a range of soluble percentages that would
09:13:42 16 apply, and that's what this is discussing, isn't
09:13:50 17 it?

09:13:52 18 A. Yes, it's setting an acceptable
09:13:56 19 range, right.

09:14:00 20 Q. And it has RLTC and RLB. Those are
09:14:00 21 the two types of RL that you generate?

09:14:06 22 A. At that point in time.

09:14:08 23 Q. Manufacturing produced?

09:14:10 24 A. Yes.

09:14:10 25 Q. Those are the two types at that

1 Narron - Highly Confidential - Trade Secret
09:14:12 2 time?
09:14:12 3 A. Mm-hmm.
09:14:16 4 Q. You remembered that the range was 41
09:14:18 5 or 42 to 48 or 49. At this time the range was a
09:14:26 6 little bit narrower, I take it.
09:14:30 7 A. Yes. The range I gave you has been
09:14:30 8 over a period of time. It's been within those
09:14:34 9 limits. That might not be exactly for one time
09:14:38 10 period.
09:14:38 11 Q. Has the range ever been as broad as
09:14:40 12 you described, 41 or 42 to 49, or has it been,
09:14:46 13 has the range been inside there but it's been 41
09:14:48 14 to 43 or 41 to 46?
09:14:56 15 A. At one point in time I know it was 42
09:14:58 16 to 49.
09:15:02 17 Q. How often does the range change?
09:15:10 18 A. That I'm not sure of. But seldom.
09:15:14 19 It's not something we do often.
09:15:16 20 Q. Now, this sets an acceptable range,
09:15:20 21 and for RLTC it's 44 to 48 and for RLB it's 45 to
09:15:24 22 49, do you see that?
09:15:26 23 A. Mm-hmm.
09:15:26 24 Q. And then it has a target. You said
09:15:34 25 you could move within the range. What's the

1 Narron - Highly Confidential - Trade Secret
09:15:36 2 significance of the target?
09:15:42 3 A. And how she meant "target" here, I
09:15:44 4 don't know. That might be the center line of an
09:15:46 5 SPC chart that people call targets. So I don't
09:15:52 6 know if that's the content in which she meant it
09:15:56 7 or not.
09:15:56 8 Q. What's an SPC chart? I'm sorry.
09:16:00 9 A. Statistical process control chart.
09:16:06 10 Q. And what is that, statistical process
09:16:08 11 control chart?
09:16:10 12 A. It's data you take from a parameter,
09:16:16 13 and you plot it. The mean is normally the center
09:16:28 14 line, and then the upper control limits are the
09:16:30 15 variation that you would have off ~~of~~^{of} the center
09:16:32 16 point.
09:16:32 17 Q. So you think this may simply be the
09:16:34 18 center line?
09:16:36 19 A. It could be. That's one possibility,
09:16:38 20 I mean.
09:16:44 21 Q. Do you know why shifts in the range
09:16:48 22 were made?
09:16:52 23 A. No, sir, I don't.
09:17:54 24 Q. Mr. Narron, could we go back to the
09:17:58 25 exhibit, I've forgotten its number, but it is the

1 Narron - Highly Confidential - Trade Secret
09:18:02 2 one that has the memo from D.C. Saunders to D.W.
09:18:06 3 Mertz.

09:18:06 4 MR. NUNLEY: 15.

09:18:08 5 Q. 15. Could you go to the very end of
09:18:26 6 that.

7 (Witness complies.)

09:18:28 8 Q. And if you go back, it's four pages
09:18:30 9 from the end, there's a memo from Dave Mertz to
09:18:34 10 Dawn Saunders. It's dated June 7, '93, 6/7/93,
09:18:38 11 the subject is "Liquor shedding data." Do you
09:18:42 12 see that?

09:18:42 13 A. Yes, sir.

09:18:44 14 Q. And if you turn, you'll see the
09:18:46 15 charts that are documented, "Solubles shedding to
09:18:46 16 the process sewer," and then "Documented liquor
09:18:52 17 transfers from line to line," and it shows
09:18:54 18 transfers from line 1 to lines 2 and 3.

09:18:58 19 Do you see those charts?

09:19:00 20 A. Yes, sir.

09:19:02 21 Q. We looked at two of those charts I
09:19:04 22 think by themselves yesterday, do you remember
09:19:06 23 that?

09:19:10 24 A. I don't know if they were the charts,
09:19:10 25 but similar formats.

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MANHATTAN REPORTING CORP.

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09:19:12 2 Q. Right. For part of '92, and then
09:19:14 3 '93, which is one of these charts. Do you
09:19:20 4 recall now receiving charts like this about
09:19:24 5 transfer of liquor from one line to another?

09:19:34 6 A. I don't recall seeing charts of this
09:19:36 7 order. I have asked for the data once or twice
09:19:40 8 about how much shedding are we doing from a yield
09:19:42 9 loss. But I don't recall what form they gave it
09:19:44 10 to me in.

09:19:48 11 Q. One of the charts is about shedding
09:19:52 12 to the process sewer. The next chart is the
09:19:58 13 chart that -- the chart that's not in front of
09:20:02 14 you, which is PA 385190. That chart is a chart
09:20:04 15 of documented liquor transfers from line to line,
09:20:06 16 and on this page it is documented liquor
09:20:08 17 transfers from line 1 to lines 2 and 3.

09:20:14 18 Do you see that?

09:20:16 19 A. Yes.

09:20:16 20 Q. This chart, do you recall receiving
09:20:22 21 charts like this, which are about liquor
09:20:26 22 transfers as opposed to liquor shedding, liquor
09:20:28 23 transfers?

09:20:28 24 MR. NUNLEY: Asked and answered. You
09:20:32 25 can answer again, Jim.

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MANHATTAN REPORTING CORP.

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09:20:34 2 A. No. No, I do not. I don't receive
09:20:36 3 these.

09:20:36 4 Q. Well, you don't remember receiving
09:20:38 5 them?

09:20:40 6 A. Mm-mm.

09:20:40 7 Q. Because you are a recipient of one of
09:20:44 8 these memos that attaches these things. You
09:20:48 9 don't remember this?

09:20:50 10 A. No, sir. No.

09:20:52 11 Q. Look at the solubles levels on here,
09:20:58 12 just on that same chart, you see it shows 48,
09:21:08 13 48.4, there's a 49.1, there's a 50.2, 49.5, 49.9,
09:21:10 14 do you see the numbers I'm reading off, if you go
09:21:12 15 down the solubles? Do you know if the range of
09:21:14 16 solubles levels that applied in '92 or '93 was
09:21:24 17 this high?

09:21:24 18 MR. NUNLEY: Objection as to form.
09:21:26 19 What soluble level are you talking about, John?

09:21:30 20 MR. PAYTON: We just looked at a
09:21:34 21 chart that showed the range of soluble levels.

09:21:36 22 MR. NUNLEY: In the finished sheet?

09:21:38 23 MR. PAYTON: In the finished sheet.

09:21:38 24 MR. NUNLEY: This is not finished
09:21:38 25 sheet solubles.

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MANHATTAN REPORTING CORP.

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09:21:44 2 MR. PAYTON: Right. Okay.

09:21:44 3 MR. NUNLEY: You're mixing apples and

09:21:46 4 oranges.

09:21:46 5 MR. PAYTON: I understand that. I'm

09:21:48 6 going to straighten that out.

09:21:50 7 Q. Do you remember the range that we

09:21:50 8 talked about?

09:21:50 9 A. The one we looked at for the finished

09:21:52 10 sheet?

09:21:52 11 Q. Yes, the 44, the 48.

09:21:54 12 A. Correct.

09:21:54 13 Q. Do you know what the range of

09:21:56 14 solubles was that applied at this time?

09:21:58 15 MR. NUNLEY: Objection as to form.

09:22:00 16 The range of solubles for what? For finished

09:22:06 17 sheet, at this time?

09:22:24 18 MR. PAYTON: I withdraw the

09:22:26 19 question.

09:22:38 20 Q. On this chart, the data that's

09:22:42 21 included shows a date and then ~~it~~ shows

09:22:46 22 solubles. I take it that's a percentage. Then

09:22:48 23 it shows gallons, and then it shows poundage. Do

09:22:50 24 you see that?

09:22:52 25 A. Yes, sir.

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MANHATTAN REPORTING CORP.

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09:22:54 2 Q. Why would you want to know the
09:22:56 3 poundage?

09:23:02 4 A. Well, I didn't publish -- you want my
09:23:04 5 guess or assumption?

09:23:08 6 Q. Is that a number that you normally
09:23:08 7 would see, the poundage?

09:23:12 8 A. Not for me. I don't use any of these
09:23:16 9 numbers, so no, I would not use this.

09:23:26 10 MR. BHATIA: I don't know, just so
09:23:28 11 the record is clear, when we were talking about
09:23:30 12 chart, we were referring to PA 385190. There's a
09:23:34 13 lot of charts.

09:23:38 14 MR. PAYTON: I read it off. I read
09:23:38 15 it off.

09:23:42 16 MR. BHATIA: Okay.

09:23:44 17 Q. Do you see the note at the bottom,
09:23:46 18 the handwritten note that says, "Dawn"? "FYI,
09:23:52 19 information pertaining to liquor transfers over
09:23:52 20 the past six months, this indicates the problem
09:23:56 21 on line 1 is even larger than anticipated"? Do
09:24:02 22 you know what the problem on line 1 is that that
09:24:04 23 note is referencing?

09:24:06 24 MR. NUNLEY: Objection.
09:24:08 25 Speculation.

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MANHATTAN REPORTING CORP.

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09:24:08 2 Q. Do you know?

09:24:10 3 A. No. Do I know for a fact, no.

4 (Narron Exhibit 19 for
5 identification, one-page test request form,
6 Production Quality and Technical Services, dated
7 October 12, 1993.)

09:25:40 8 Q. Mr. Narron, you've just been handed
09:25:42 9 what's been marked Narron Exhibit 19, a one-page
09:25:48 10 test request form, "Production quality and
09:25:52 11 technical services," dated October 12, 1993, as
09:26:02 12 production number PA 538612, and 2030053619.

09:26:16 13 Do you remember this test? The test
09:26:26 14 is described, it says, "Purpose of test, to
09:26:30 15 produce RLBT with finished sheet solubles of
09:26:30 16 approximately 53 percent for subjective
09:26:32 17 evaluation." Do you remember this test?

09:26:34 18 A. I believe I do, yes.

09:26:38 19 Q. What do you remember about this
09:26:38 20 test?

09:26:38 21 A. I asked my boss, could we check into
09:26:52 22 the possibility of putting more solubles on the
09:26:54 23 finished sheet as a method to increase yield and
09:27:00 24 lower the cost per pound. And then he talked to
09:27:04 25 somebody in R&D, and we agreed to run a

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09:27:06 2 subjective test to see if we could.

09:27:20 3 Q. Why would putting more solubles on

09:27:22 4 the finished sheet increase the yield?

09:27:28 5 A. I wouldn't throw them away.

09:27:54 6 Q. You wouldn't make any more sheet,

09:27:54 7 would you?

09:27:58 8 A. Any more sheet to the sheet itself?

09:28:02 9 Q. Right.

09:28:02 10 A. I would make a sheet that would be a

09:28:04 11 little heavier and more tobacco solubles on it.

09:28:08 12 Q. But you wouldn't make any more

09:28:10 13 sheet.

09:28:10 14 A. Not a new sheet, no.

09:28:10 15 Q. It would be the same quantity of

09:28:12 16 sheet, is what I mean.

09:28:14 17 MR. NUNLEY: Objection. I think it's

09:28:16 18 a poundage issue, John.

09:28:18 19 MR. PAYTON: I understand that.

09:28:18 20 Q. But it would be the same -- strike

09:28:44 21 that.

09:28:44 22 At this time, this is 1993, were you

09:28:48 23 shedding a lot of solubles?

09:28:56 24 A. I've been shedding liquors for a long

09:28:58 25 time. How much, at what year, versus another

1 Narron - Highly Confidential - Trade Secret

09:29:00 2 year, I don't know the amount.

09:29:04 3 Q. Sometimes you shed solubles,

09:29:08 4 sometimes you transfer solubles from one line to

09:29:08 5 another line; right?

09:29:12 6 MR. NUNLEY: Well, John, to answer

09:29:14 7 your question, I might refer back to Exhibit 15.

09:29:16 8 It shows --

09:29:18 9 MR. PAYTON: Hold on. Hold on.

09:29:20 10 MR. NUNLEY: -- over a million pounds

09:29:20 11 of solubles shed.

09:29:22 12 MR. PAYTON: Hold on, Chip. He can

09:29:24 13 answer this. I understand that.

09:29:26 14 Q. There are times when you shed

09:29:28 15 solubles and there are also times when you

09:29:30 16 transfer solubles from one line to another; isn't

09:29:32 17 that correct?

09:29:34 18 MR. NUNLEY: But this document speaks

09:29:34 19 specifically to the liquor shed.

09:29:36 20 MR. PAYTON: Chip, let this witness

09:29:38 21 answer the question. I understand both things

09:29:40 22 happen. I'm asking him about both things.

09:29:42 23 MR. NUNLEY: I don't think it's fair,

09:29:42 24 John, to put a document in front of him to ask

09:29:48 25 the questions you want, and then when you ask a

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MANHATTAN REPORTING CORP.

1 Narron - Highly Confidential - Trade Secret
09:29:48 2 question that the document clearly answers, not
09:29:50 3 to reference it to him. That's unfair to the
09:29:52 4 witness.
09:29:52 5 MR. PAYTON: This witness knows the
09:29:54 6 answer.
09:29:54 7 MR. NUNLEY: I don't think so. Not
09:29:56 8 with the way -- you can put a document that has a
09:29:58 9 specific answer in front of him. If you want to
09:30:02 10 conduct the investigation or the deposition sort
09:30:04 11 of by ambush, do that.
09:30:04 12 MR. PAYTON: What are you talking
09:30:06 13 about? You say there's a document that answers
09:30:08 14 the question I just asked him?
09:30:08 15 MR. NUNLEY: Yes.
09:30:10 16 Q. Is there time when you transfer
09:30:16 17 liquor from one line to another? The answer is
09:30:18 18 yes, isn't it?
09:30:18 19 A. We do, yes.
09:30:18 20 Q. Okay. And are there other times when
09:30:20 21 you shed liquor?
09:30:22 22 A. Correct.
09:30:24 23 Q. Okay. And those happen in the same
09:30:30 24 year, sometimes you'll shed liquor and sometimes
09:30:30 25 you'll transfer liquor from one line to another.

1 Narron - Highly Confidential - Trade Secret

09:30:34 2 A. In the same year, yes.

09:31:02 3 Q. How do you measure yield?

09:31:06 4 A. Pounds of raw material into the
09:31:10 5 blending area, and good pounds of production that
09:31:12 6 leave.

09:31:32 7 Q. If you transfer liquor from line 1 to
09:31:34 8 line 2, does that get reflected in the yield for
09:31:46 9 both lines 1 and line 2? Does line 1's yield go
09:31:46 10 down and line 2's yield go up?

09:31:48 11 MR. NUNLEY: Objection as to form.

09:31:52 12 A. I don't know the calculations that's
09:32:00 13 used from line to line sitting here. I don't
09:32:00 14 know the answer to that.

09:32:12 15 THE VIDEO OPERATOR: We're going off
09:32:14 16 the record. This is the end of videotape number
09:32:16 17 4. The time on the screen is 9:32:20.

09:32:28 18 (A recess was taken.)

09:46:32 19 THE VIDEO OPERATOR: This is
09:46:32 20 videotape number 5, the continuation of the
09:47:08 21 deposition of James Narron. Today is June 16th,
09:47:10 22 1995. The time on the screen is 9:47:14. You're
09:47:16 23 on the record.

09:47:16 24 Q. Mr. Narron, I want to now talk about
09:47:24 25 ^{the events}
~~events~~ in 1990 when Philip Morris explored

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MANHATTAN REPORTING CORP.

1 Narron - Highly Confidential - Trade Secret

09:47:32 2 whether or not Kimberly-Clark and American

09:47:36 3 Tobacco could make reconstituted sheet that

09:47:44 4 Philip Morris would find acceptable. Were you

09:47:48 5 part of that effort to see if they could make a

09:47:52 6 sheet that met Philip Morris's specifications?

09:47:54 7 MR. NUNLEY: Objection as to form.

09:48:00 8 A. To some level, yes.

09:48:10 9 Q. And this is, roughly speaking, around

09:48:12 10 1990, I believe, is that your memory?

09:48:16 11 A. That's the time frame, yes.

09:48:18 12 Q. Do you know what caused Philip Morris

09:48:20 13 to explore the possibility of other companies

09:48:26 14 supplying sheet to it?

09:48:32 15 A. We could not produce the amount of RL

09:48:36 16 that they needed at that point in time based on

09:48:40 17 their forecasts and so forth.

09:48:44 18 Q. Couldn't make enough sheet at Park

09:48:48 19 500?

09:48:48 20 A. RL sheet at Park 500.

09:49:06 21 Q. How was this initiated? I mean, were

09:49:14 22 you part of the group that decided or was tasked

09:49:24 23 to go off and see if Kimberly-Clark or American

09:49:24 24 Tobacco could make a sheet to Philip Morris's

09:49:26 25 satisfaction?

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MANHATTAN REPORTING CORP.

1 Narron - Highly Confidential - Trade Secret

09:49:26 2 MR. NUNLEY: Objection as to form.

09:49:32 3 A. I was part of a -- along with my boss
09:49:36 4 and the other managers, at brainstorming what
09:49:44 5 options do we have in order for PM to have enough
09:49:46 6 RL to meet their needs.

09:49:56 7 Q. Was the anticipated shortfall in RL a
09:49:58 8 shortfall that was affecting both export and
09:50:04 9 domestic needs?

09:50:10 10 A. I don't know the exact answer for
09:50:12 11 that. I have assumptions, but to know if that's
09:50:18 12 actually true or not, I don't know that.

13 (Narron Exhibit 20 for
14 identification, two handwritten pages dated
15 11/20/90.)

09:51:02 16 Q. Mr. Narron, you've been handed a
09:51:08 17 memorandum that attaches two pages of
09:51:18 18 handwritten -- two handwritten pages. The date
09:51:22 19 is 11/20/90. It's a Park 500 interoffice
09:51:24 20 correspondence from D.A. Clark to you, J.E.
09:51:32 21 Narron. The subject is RL trials,
22 Kimberly-Clark, October 26, 1990. Production
09:51:38 23 number PA 369349 through PA 369354, and
09:51:46 24 2031125760 through 2031125765.

09:51:56 25 This memorandum is discussing the

1 Narron - Highly Confidential - Trade Secret
09:52:02 2 Kimberly-Clark trials. Do you recall this? The
09:52:02 3 trials and the memo.
09:52:04 4 MR. NUNLEY: Objection. Compound.
09:52:06 5 A. Give me a second to glance through
09:52:08 6 these.
09:52:58 7 I had some correspondence with
09:53:00 8 Mr. Clark. Whether this is the exact one or not,
09:53:04 9 I can't tell you this is the exact memo that I
09:53:06 10 sat down and went through. But I had some
09:53:08 11 correspondence.
09:53:10 12 Q. Who is Mr. Clark?
09:53:16 13 A. He was a superintendent at Park 500,
09:53:20 14 and again, I mean, these time frames when we
09:53:28 15 moved a lot of people around for cross-training,
09:53:28 16 at one point in time he was a superintendent for
09:53:36 17 process engineering, and then he went to
09:53:42 18 superintendent for maintenance and engineering.
09:53:42 19 So I'm not sure at this point exactly
09:53:44 20 which one he was in.
09:53:46 21 Q. At this time, you're the operations
09:53:50 22 manager?
09:53:52 23 A. I think so, yes.
09:53:54 24 Q. Do you recognize the handwriting on
09:53:56 25 the first page?

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MANHATTAN REPORTING CORP.

1 Narron - Highly Confidential - Trade Secret

09:54:04 2 A. No. I do not. The handwriting notes

09:54:06 3 to the left here?

09:54:06 4 Q. Yes. It says at the top, "Harold," I

09:54:10 5 don't know what the next word is, and "Ron."

09:54:12 6 Harold, Hector and Ron? Do you see that?

09:54:16 7 A. Hector or Hester, I can't tell.

09:54:20 8 Q. Do you know Hector Alonzo?

09:54:22 9 A. Yes, I know Hector Alonzo.

09:54:22 10 Q. ~~Do you know Harold Burnley?~~ *Do you know who Harold is? Is that Harold Burnley?*

09:54:26 11 A. I know Harold Burnley. I don't know

09:54:26 12 if that's --

09:54:28 13 Q. Do you know who Ron would be?

09:54:32 14 A. No, I do not.

09:54:42 15 Q. Do you know Ron Ellis?

09:54:52 16 A. Ron Ellis? I do not recall Ron

09:54:54 17 Ellis.

09:55:00 18 Q. Do you know if Philip Morris had

09:55:00 19 previously purchased any RL from Kimberly-Clark?

09:55:08 20 A. When you say "previous," how far back

09:55:12 21 are you going?

09:55:12 22 Q. Oh, before 1990.

09:55:20 23 A. Prior to the Park 500 facilities we

09:55:26 24 got RL from Kimberly-Clark. I'm assuming

09:55:30 25 Kimberly-Clark is the Spotswood plant ^{a division} ~~division~~ of

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MANHATTAN REPORTING CORP.

1 Narron - Highly Confidential - Trade Secret
09:55:34 2 Kimberly-Clark.
09:55:48 3 Q. What's your memory of how the test
09:55:50 4 turned out? Was the sheet that you got from
09:55:52 5 Kimberly-Clark acceptable?
09:55:54 6 MR. NUNLEY: Objection as to form.
09:56:04 7 A. I don't remember what the subjectives
09:56:08 8 were. I don't remember seeing that data. But
09:56:16 9 the variation in their sheet and the quality
09:56:20 10 characteristics were far less than what we have
09:56:30 11 at Park 500, so much as we end up discarding the
09:56:30 12 material they make.
09:56:32 13 Q. Did their sheet have a lower level of
09:56:36 14 solubles than the sheet you make at Park 500?
09:56:40 15 A. That I don't know. I can remember in
09:56:42 16 looking at the -- at what Dave had given us on
09:56:46 17 the appearance of the sheet and the moisture
09:56:50 18 profiles and things, but the exact numbers I
09:56:52 19 don't know sitting here.
09:57:20 20 Q. If you turn the page and look at the
09:57:22 21 paragraph on the top.
09:57:24 22 A. The second page?
09:57:26 23 Q. Yes.
09:57:26 24 (Witness complies.)
09:57:26 25 Q. Mr. Clark writes, "My concern with

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MANHATTAN REPORTING CORP.

1 Narron - Highly Confidential - Trade Secret

09:57:34 2 this sheet, stratification, is threefold. My
09:57:36 3 first concern is the size absorption
09:57:38 4 characteristics of the sheet. Our experience at
09:57:40 5 Park 500 indicates that lighter base web sheet
09:57:44 6 absorbs size more readily than heavier weight
09:57:48 7 base web sheet."

09:57:52 8 What does "lighter base web weight
09:57:56 9 sheet" mean?

09:57:58 10 MR. NUNLEY: To Mr. Narron or as it's
09:58:02 11 written here?

09:58:02 12 MR. PAYTON: To Mr. Narron.

09:58:04 13 A. To me it's just -- just what it
09:58:10 14 says. When you take a measurement of a certain
09:58:12 15 diameter, it says "lighter." It doesn't weigh as
09:58:14 16 much.

09:58:16 17 Q. ^{And is it} ~~Isn't~~ the experience at Park 500 that
09:58:18 18 lighter base web weight sheet absorbs size more
09:58:24 19 readily?

09:58:30 20 A. Give me a minute to pull up my memory
09:58:34 21 banks here.

09:58:50 22 I can't say that it accepts it more
09:58:52 23 readily. It's easier for us to get the size onto
09:58:56 24 the sheet, on a lighter sheet, because of the
09:58:58 25 limitation of the size press. It can only put X

MANHATTAN REPORTING CORP.

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1 Narron - Highly Confidential - Trade Secret
09:59:00 2 amount on it. So if you run a heavier sheet you
09:59:06 3 can't put the same percentages on that sheet.
09:59:32 4 Q. When you're making just the sheet
09:59:36 5 without size, before it's sized --
09:59:38 6 A. What I call base web?
09:59:44 7 Q. Yes. What determines whether that is
09:59:46 8 lighter or heavier weight sheet?
09:59:54 9 A. I'm assuming you're asking how do I
09:59:56 10 know if it's okay or not?
09:59:58 11 Q. No. Can you just make an adjustment
10:00:02 12 and make it heavier weight sheet or make an
10:00:04 13 adjustment and make it lighter weight sheet?
10:00:08 14 A. Yes. And within the specification
10:00:10 15 that we have.
10:00:12 16 Q. Why couldn't Kimberly-Clark just make
10:00:16 17 an adjustment and have lighter weight sheet?
10:00:18 18 MR. NUNLEY: Objection. Calls for
10:00:20 19 speculation.
10:00:20 20 A. I don't know.
10:00:22 21 Q. You don't know?
10:00:22 22 A. No, I wasn't there.
10:00:26 23 Q. Did you ever visit Kimberly-Clark?
10:00:28 24 A. Yes.
10:00:28 25 Q. When was that?

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MANHATTAN REPORTING CORP.

1 Narron - Highly Confidential - Trade Secret

10:00:32 2 A. I believe it was in the October,
10:00:36 3 November time frame of 1974.

10:00:40 4 Q. Oh, I see. When Park 500 was just
10:00:44 5 coming up?

10:00:46 6 A. Prior to starting up.

10:01:12 7 Q. Could you just briefly explain to me
10:01:12 8 how Park 500 makes lighter or heavier sheet?

10:01:22 9 MR. NUNLEY: Objection. Well --
10:01:22 10 objection. It assumes that they do. I don't
10:01:30 11 know that that's the testimony.

10:01:30 12 Q. Do you vary the weight of the sheet?

10:01:36 13 A. No. When I say "vary," within a
10:01:38 14 range. The sheet varies within a certain range
10:01:42 15 by itself. But the range that we run in is a
10:01:46 16 given range.

10:01:46 17 Q. It's just a specification?

10:01:46 18 A. Right. And you have to stay within
10:01:48 19 that range.

10:01:50 20 Q. Was that specification given to
10:01:52 21 Kimberly-Clark?

10:01:54 22 A. That I don't know.

23 (Narron Exhibit 21 for
24 identification, three-page memorandum from J.W.
25 Swain to Floyd Johnson dated December 19, 1990.)

MANHATTAN REPORTING CORP.

2058454815

1 Narron - Highly Confidential - Trade Secret

10:02:52 2 Q. Mr. Narron, you've just been handed
10:02:54 3 what's been marked Narron Exhibit 21. Narron
10:03:02 4 Exhibit 21, a three-page memorandum from J.W.
10:03:08 5 Swain to Floyd Johnson dated December 19, 1990,
10:03:14 6 Philip Morris U.S.A. interoffice correspondence.
10:03:18 7 It has production number PA 369372 to PA 369374,
10:03:30 8 and 2021125783 through 5785.

10:03:38 9 If you look at the last page you'll
10:03:40 10 see you're on the distribution.

10:03:44 11 (Witness complies.)

10:03:44 12 Q. The subject of this memo is "Results
10:03:46 13 of Schweitzer and American RL trials." Do you
10:03:54 14 remember the subject matter here, the Schweitzer
10:03:56 15 and the American RL trials?

10:03:58 16 A. Yes.

10:04:02 17 Q. Do you remember reviewing this memo?

10:04:22 18 A. I review some -- the same with Dave
10:04:26 19 Clark. I saw some data from this. If this is
10:04:28 20 the memo, I can't sit here and say yes or no.

10:04:30 21 Q. Who is Floyd Johnson?

10:04:32 22 A. He's a director in the leaf
10:04:34 23 department.

10:04:38 24 Q. And this is -- looks like the same
10:04:44 25 handwriting that was on the previous memo. It's

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MANHATTAN REPORTING CORP.

1 Narron - Highly Confidential - Trade Secret
10:04:44 2 not yours. Do you know whose handwriting this
10:04:46 3 is?
10:04:48 4 A. No, I do not.
10:04:54 5 Q. What do you remember about the
10:04:58 6 results of the American RL trials?
10:05:04 7 MR. NUNLEY: Objection as to form.
10:05:06 8 A. Are you asking me from my personal --
10:05:08 9 Q. Yes.
10:05:14 10 A. The same as -- the end result being
10:05:16 11 the same as the Schweitzer run, that the product
10:05:30 12 was far less than ours from a quality point, and
10:05:30 13 we also discarded that material that we -- that
10:05:36 14 they ran, because we couldn't use it.
10:05:36 15 MR. NUNLEY: Schweitzer is
10:05:38 16 S-C-H-W-E-I-T-Z-E-R.
10:05:50 17 Q. Is the Schweitzer test the
10:05:54 18 Kimberly-Clark test, or is that a different test?
10:05:56 19 A. When they refer to Kimberly-Clark,
10:05:58 20 they own the Schweitzer plant ^{that} they're talking
21 about.
10:06:00 22 Q. So the reference to Schweitzer is to
10:06:04 23 the Kimberly-Clark test?
10:06:06 24 A. I would assume that ^{for that reason.}
10:06:18 25 Q. Now, you see on the first page,

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MANHATTAN REPORTING CORP.

1 Narron - Highly Confidential - Trade Secret

10:06:22 2 there's a -- the second identified paragraph

10:06:24 3 says, "Schweitzer trials," do you see that?

10:06:28 4 A. Yes, sir.

10:06:28 5 Q. You can look through the whole

10:06:32 6 paragraph, if you want. I want to focus on the

10:06:32 7 last sentence.

10:06:36 8 (Witness complies.)

10:07:08 9 Q. Okay?

10:07:10 10 A. Okay. I read it.

10:07:12 11 Q. The previous memo did refer to sheet

10:07:16 12 stratification. Did you know what that meant,

10:07:20 13 "sheet stratification"?

10:07:20 14 A. No. I do not.

10:07:22 15 Q. The last sentence of this paragraph

10:07:26 16 says, "Due to their disposal of 70 percent of

10:07:26 17 burley stem solubles to generate the DNCEL, there

10:07:34 18 was insufficient liquor to initiate the SLR 60

10:07:34 19 trial."

10:07:40 20 Do you know why they had to dispose

10:07:44 21 of 70 percent of the burley stem solubles?

10:07:50 22 MR. NUNLEY: "They" being

10:07:50 23 Schweitzer?

10:07:52 24 MR. PAYTON: Yes, "they" being

10:07:52 25 Schweitzer.

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MANHATTAN REPORTING CORP.

1 Narron - Highly Confidential - Trade Secret

10:07:54 2 A. No, sir, I do not.

10:07:56 3 Q. Do you recall what the SL -- SRL 60
10:08:00 4 trial was?

10:08:00 5 A. No, sir.

10:08:28 6 Q. Do you see the table 1 at the bottom
10:08:34 7 of the first page, do you see that?

10:08:34 8 A. Yes, sir.

10:08:36 9 Q. It shows "Process product parameter,"
10:08:40 10 solubles is the first one, it shows target 43 and
10:08:44 11 range 41 to 45.

10:08:46 12 Were you involved in setting the
10:08:54 13 targets for solubles with respect to the sheet
10:08:56 14 that you wanted Schweitzer to make?

10:08:58 15 A. No. I was not.

10:09:00 16 Q. Who was?

10:09:04 17 A. I don't know. I really don't know
10:09:06 18 who made that decision.

10:09:32 19 Q. I want to ask if you know how the
10:09:42 20 trials were actually conducted. Who supplied the
10:09:42 21 dry raw material to Schweitzer and to American
10:09:48 22 Tobacco that they used to make the trial sheet?

10:09:54 23 MR. NUNLEY: Objection as to form.

10:09:58 24 A. That I don't know, who did that and
10:10:00 25 where it came from. I don't know.

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MANHATTAN REPORTING CORP.

1 Narron - Highly Confidential - Trade Secret

10:10:02 2 Q. You don't know if it was Philip
10:10:04 3 Morris or not?

10:10:06 4 A. I could make assumptions, but I don't
5 know.

10:10:08 6 Q. You don't know?

10:10:08 7 A. No.

10:10:30 8 Q. Would you go to the second page.

10:10:32 9 (Witness complies.)

10:10:38 10 Q. You see under "American trials," it
10:10:42 11 says, "The same specifications and lots of
10:10:46 12 additive were utilized for the American ARL 40
10:10:50 13 and ARL 50 trials." Do you know what the
10:10:54 14 reference to lots of additives is referring to?

10:10:58 15 A. No, sir.

10:11:04 16 Q. It says, "R&D analysis showed the
10:11:08 17 components to be on target in the 75-992
10:11:12 18 concentrate. Burley stem solubles were
10:11:14 19 selectively diverted to reduce nitrates but
10:11:18 20 unlike Schweitzer, the washed burley stem was
10:11:22 21 added to the blend after pressing."

10:11:26 22 Do you know what that means, that the
10:11:30 23 washed burley stem was added to the blend after
10:11:30 24 pressing?

10:11:34 25 A. No more than what this says here.

1 Narron - Highly Confidential - Trade Secret

10:11:36 2 I'm not a -- I'm not familiar with how we ran
10:11:38 3 those tests.

10:11:38 4 Q. At Park 500, do you ever after
10:11:46 5 pressing add stem or other tobacco ingredients?

10:11:54 6 MR. NUNLEY: To --

10:11:54 7 Q. To the sheet, to whatever it is, do
10:11:58 8 you ever add stem after pressing?

10:12:02 9 A. No.

10:12:04 10 Q. Never?

10:12:04 11 MR. NUNLEY: John, do you think that
10:12:10 12 pressing there refers to sheet formation?

10:12:14 13 Because I'm not sure it does. I don't know one
10:12:16 14 way or the other. I doubt that it does, but I --

10:12:18 15 Q. You assume that pressing refers to
10:12:20 16 extraction?

10:12:22 17 A. I'm taking the slurry that goes
10:12:28 18 through the extraction section and stock prep.

10:12:30 19 Q. So the reference to ^{press}~~pressing~~ you
10:12:34 20 assume is part of the extraction process?

10:12:42 21 A. When you asked me the question,
10:12:46 22 that's what I assumed.

10:12:48 23 Q. And what I'm asking is, at Park 500,
10:12:52 24 do you ever add stem after the press?

10:12:56 25 A. Press I'm talking about, the pressing

1 Narron - Highly Confidential - Trade Secret
10:12:58 2 section?
10:13:00 3 Q. Yes.
10:13:00 4 A. No.
10:13:00 5 Q. Do you ever add any tobacco material
10:13:04 6 after the press? Stems, fines?
10:13:12 7 A. The only exception might be if we had
10:13:18 8 some base web that we add back into the system,
10:13:20 9 and that could be added in the machine chest or
10:13:24 10 the stock chest.
10:13:24 11 Q. Do you ever add dust?
10:13:32 12 A. Not that I'm aware of, no.
10:15:20 13 Q. What happened as a result of these
10:15:20 14 tests?
10:15:20 15 MR. NUNLEY: Objection as to form.
10:15:22 16 A. These two you just mentioned here?
10:15:24 17 Q. Yes.
10:15:30 18 A. We decided not to use their product,
10:15:36 19 and we discarded it.
10:15:38 20 Q. You didn't use either product,
10:15:40 21 American Tobacco's or Kimberly-Clark's?
10:15:44 22 A. Did I see it?
10:15:44 23 Q. No. You decided not to use either
10:15:46 24 product?
10:15:46 25 A. As best I can recall.

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MANHATTAN REPORTING CORP.

1 Narron - Highly Confidential - Trade Secret

10:16:38 2 Q. Did Park 500 change the way it made
10:16:42 3 RL as a result of these tests?

10:16:52 4 A. Not that I'm aware of.

5 (Narron Exhibit 22 for
6 identification, a one-page Park 500 interoffice
7 correspondence dated February 21, 1991, from John
8 Whitman to S.C. Darrah.)

10:18:16 9 Q. Before I ask you about that document,
10:18:18 10 Mr. Narron, do you know if Philip Morris
10:18:20 11 purchases sheet from LTR?

10:18:24 12 MR. NUNLEY: Do you mean for use in
10:18:26 13 cigarettes manufactured and sold in the United
10:18:28 14 States?

10:18:28 15 MR. PAYTON: No, just for any
10:18:30 16 purpose.

10:18:30 17 MR. NUNLEY: Objection. Irrelevant
10:18:32 18 and outside the scope of discovery as defined by
10:18:36 19 the Court.

10:18:40 20 MR. PAYTON: I don't know what
10:18:40 21 purpose. That's why I'm asking if they purchased
10:18:42 22 any sheet. Then I'll ask him what the purpose
10:18:44 23 is.

10:18:46 24 Q. Did they purchase any sheet from
10:18:46 25 LTR?

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10:18:50 2 MR. NUNLEY: Same objection.

10:18:56 3 A. I don't know what we are doing

10:19:04 4 today. I believe at one point in time that we

10:19:06 5 did.

10:19:06 6 Q. In the last several years? In the

10:19:14 7 1990s, has Philip Morris purchased sheet, RL?

10:19:14 8 A. I don't know that answer.

10:19:36 9 Q. You've been handed what's been marked

10:19:40 10 Narron Exhibit 22, a one-page Park 500

10:19:48 11 interoffice correspondence dated February 21,

10:19:50 12 1991, from John Whitman to S.C. Darrah. It is

10:20:04 13 production number PA 209849 and 2024579608. It's

10:20:06 14 on worldwide sheet capacity, preliminary report.

10:20:12 15 Have you seen this document before?

10:20:20 16 A. No, I haven't.

10:20:42 17 Q. When is the -- I think you said your

10:20:44 18 understanding was that both the Kimberly-Clark

10:20:48 19 and the American Tobacco trial runs were

10:20:54 20 unacceptable to Philip Morris; is that right?

10:20:58 21 MR. NUNLEY: The finished product?

10:20:58 22 MR. PAYTON: The finished product,

10:21:00 23 that's what I mean.

10:21:00 24 Q. Was unacceptable.

10:21:02 25 A. Yes.

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10:21:02 2 Q. And you don't believe that it went
10:21:08 3 any further than that, that they didn't make a
10:21:08 4 product that Philip Morris could use, and that
10:21:10 5 was the end of it, it was discarded?

10:21:12 6 A. As far as I know.

10:21:12 7 Q. Did you have any further involvement
10:21:14 8 in trying to identify sources of RL outside of
10:21:20 9 Philip Morris?

10:21:22 10 A. No.

10:21:44 11 Q. Mr. Narron, in preparing for your
10:21:50 12 deposition yesterday and today, did you talk to
10:21:52 13 any persons who work at Philip Morris?

10:22:00 14 A. I don't understand the statement.
10:22:02 15 Have I had a conversation with anybody?

10:22:04 16 Q. Yes, as part of preparing for your
10:22:06 17 deposition. Did you talk to somebody about what
10:22:10 18 you expected to be asked? Did you talk to
10:22:12 19 anybody about what they had been deposed on
10:22:18 20 already in this case? Did you have a
10:22:20 21 conversation with anybody at Philip Morris in
10:22:24 22 preparation for your deposition today and
10:22:26 23 yesterday?

10:22:26 24 A. No.

10:22:30 25 Q. Apart from conversations with

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MANHATTAN REPORTING CORP.

1 Narron - Highly Confidential - Trade Secret
10:22:32 2 counsel, have you talked to anybody in
10:22:38 3 preparation, for the purpose of preparing for
10:22:40 4 your deposition yesterday and today?
10:22:48 5 A. No, sir.
10:23:00 6 Q. I want to change subjects again,
10:23:08 7 Mr. Narron. I want to change to ART. Do you
10:23:14 8 know what ART is, the ART process?
10:23:20 9 A. I know that the name ART is referred
10:23:22 10 to, a product we make out back.
10:23:32 11 MR. NUNLEY: Colloquially speaking.
10:23:34 12 Q. Are you familiar with the alkaloid
10:23:36 13 reduced tobacco process that Philip Morris was
10:23:42 14 using in the late '80s, early '90s?
10:23:46 15 A. I don't even know what ART -- ART, by
10:23:50 16 the way, stood for. I know we have a process out
10:23:54 17 back that we make some product with.
10:23:56 18 Q. Out back is the Bermuda Hundred?
10:24:00 19 A. Yes, sir.
10:24:02 20 MR. NUNLEY: Not the steakhouse.
10:24:02 21 THE WITNESS: No, out back at Park
10:24:06 22 500 is Bermuda Hundred.
10:24:20 23 Q. The time frame I'm talking about is
10:24:26 24 1988, '89, '90, '91, around about there. Are you
10:24:32 25 familiar to any extent with any effort to add ART

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MANHATTAN REPORTING CORP.

1 Narron - Highly Confidential - Trade Secret
10:24:42 2 stems to the BL process?
10:24:48 3 A. No.
10:24:48 4 Q. Do you know what I mean by "ART
10:24:50 5 stems"?
10:24:52 6 A. I'm assuming it's the absorption
10:24:54 7 stems they use out back.
10:24:58 8 Q. You refer to those as the absorption
10:24:58 9 stems?
10:25:00 10 A. Well, we refer to it as ART stems,
10:25:02 11 whatever it is.
10:25:02 12 Q. You're not familiar with any effort
10:25:06 13 to add ART stems to the BL?
10:25:10 14 MR. NUNLEY: Asked and answered. You
10:25:12 15 can answer again.
10:25:14 16 A. No.
10:25:28 17 Q. Now, are you familiar with any effort
10:25:32 18 to add ART stems in the course of the RL
10:25:40 19 process?
10:25:42 20 MR. NUNLEY: Objection to form.
10:25:50 21 A. Some were -- I was told that 2
10:25:58 22 percent addition of ART stems was subjectively
10:26:02 23 not approved.
10:26:30 24 Q. Are you aware of ART stems being used
10:26:34 25 as part of the blend of dry raw materials in any

1 Narron - Highly Confidential - Trade Secret

10:26:38 2 test runs at Park 500?

10:26:42 3 A. No.

10:26:48 4 Q. Who told you, if you remember, that

10:26:52 5 the use of 2 percent ART stems at Park 500 was

10:26:56 6 not approved?

10:27:06 7 A. That I don't know. I remember that

10:27:16 8 as a side ^{bar}~~board~~ conversation somewhere. But I

10:27:18 9 don't recall the name of the person that told

10:27:18 10 me.

10:27:20 11 Q. Do you know for certain one way or

10:27:24 12 the other whether or not 2 percent ART stems were

10:27:32 13 used in the blend of dry raw materials that were

10:27:32 14 used at Park 500?

10:27:34 15 A. Not that I know of.

10:27:38 16 Q. Do you know know one way or the other

10:27:40 17 for certain whether or not they were used in

10:27:44 18 the -- that's 2 percent ART stems -- were used in

10:27:44 19 the blend of dry raw materials at Park 500?

10:27:46 20 MR. NUNLEY: Are you talking about

10:27:48 21 the test runs now?

10:27:50 22 Q. In test runs or in production runs.

10:27:52 23 MR. NUNLEY: Objection. ^{That is compound.}~~Compound.~~

10:27:56 24 A. No.

10:27:58 25 Q. No, you don't know one way or the

1 Narron - Highly Confidential - Trade Secret

10:28:00 2 other?

10:28:00 3 A. No.

10:28:04 4 Q. Just with respect to test runs, are

10:28:10 5 you familiar with any test runs that were done at

10:28:14 6 Park 500 that used any ART stems in the blend of

10:28:22 7 dry raw materials, just test runs?

10:28:30 8 A. I remember a discussion of whether we

10:28:34 9 should do that or not. I do not remember running

10:28:36 10 the test.

10:28:48 11 MR. NUNLEY: The transcript says "I

10:28:50 12 would not remember running the test." I believe

10:28:52 13 he said "I do not remember."

10:28:54 14 THE WITNESS: Do not.

10:28:56 15 Q. That's correct, I believe. You said

10:28:58 16 "I do not remember running the test."

17 (Narron Exhibit 23 for

18 identification, Park 500 interoffice

19 correspondence from J.H. Hensley and G.M. Pate to

20 a distribution list.)

10:29:52 21 Q. Mr. Narron, you've just been handed a

10:29:54 22 four-page document that is dated -- I believe

10:30:04 23 it's 12/18/89. It's hard to read through the

10:30:08 24 trademark but I believe that's the date. It's a

10:30:10 25 Park 500 interoffice correspondence from J.H.

1 Narron - Highly Confidential - Trade Secret
10:30:16 2 Hensley and G.M. Pate to a distribution list.
10:30:20 3 The subject is trial run using Bermuda stems on
10:30:24 4 line 3.
10:30:28 5 The production numbers are PA 561357
10:30:30 6 through PA 13 -- I'm sorry, PA 561360 and
10:30:36 7 2030963083 through 3086. If you look on the
10:30:44 8 distribution on the second page, you'll see that
10:30:46 9 you're listed on the distribution.
10:30:48 10 A. Mm-hmm.
10:30:50 11 Q. Do you recall receiving this memo?
10:30:54 12 A. No, sir.
10:30:56 13 Q. Does looking at this memo refresh
10:31:00 14 your memory in any way about a trial run using --
10:31:02 15 Bermuda stems here, but Bermuda stems are ART
10:31:06 16 stems, isn't that right?
10:31:10 17 A. When I use that terminology of ART,
10:31:12 18 I'm assuming that they're one and the same,
10:31:14 19 that's my assumption.
10:31:14 20 Q. Does this refresh your memory with
10:31:20 21 regard to any trial runs using ART stems?
10:31:22 22 A. Not beyond the discussion I mentioned
10:31:30 23 earlier, if we should run one or not. No, I do
10:31:32 24 not remember running this test.
10:31:52 25 Q. This indicates the test was run on

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MANHATTAN REPORTING CORP.

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10:31:54 2 line 3. Was line 3 the line that was used to run
10:31:58 3 tests more often than other lines, or is there no
10:32:00 4 significance to line 3 being selected?

10:32:04 5 A. I know no significance, no.

10:33:22 6 Q. Mr. Narron, looking at this exhibit
10:33:26 7 which relates to the trial run using Bermuda
10:33:32 8 stems on line 3, can you tell from looking at
10:33:32 9 this memo whether or not the line was shut down
10:33:50 10 before this started?

10:34:02 11 A. You want me to read this to see if I
10:34:06 12 can -- is that the question, figure out if it was
10:34:06 13 shut down or not?

10:34:08 14 Q. Yes.

10:34:12 15 (Witness complies.)

10:34:22 16 MR. NUNLEY: John, I might direct him
10:34:24 17 just for speed to the test logistics.

10:34:28 18 MR. PAYTON: Last two pages.

10:34:50 19 Q. Are you on the page that says "Test
10:34:54 20 logistics"?

10:34:54 21 A. Next to the last page?

10:34:56 22 Q. Yes.

10:35:22 23 MR. NUNLEY: John, while he's doing
10:35:24 24 this, I'll just tell you, I think your question
10:35:26 25 probably calls for speculation as to what...

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MANHATTAN REPORTING CORP.

1 Narron - Highly Confidential - Trade Secret

10:35:40 2 A. Your question was, was it shut down?

10:35:42 3 Q. Yes. The test logistics seem to
10:35:44 4 indicate that certainly some things are shut off
10:35:46 5 at various times in the test; isn't that right?
10:35:54 6 Is this what you meant, that you would sometimes
10:35:56 7 shut down before doing a test?

10:35:58 8 MR. NUNLEY: Objection as to form and
10:36:00 9 to the characterization of the document.

10:36:02 10 MR. PAYTON: On the first page of
10:36:08 11 test logistics under 12/20/89 it says, the first
10:36:10 12 entry, "11/7, shift blending, 0700 hours, shut
10:36:16 13 feed off to pulper."

10:36:16 14 Q. Do you see that?

10:36:18 15 A. Mm-hmm.

10:36:18 16 Q. And there are other similar
10:36:20 17 references to things being -- you know, "Shut
10:36:26 18 flow off to machine chest." Was the line shut
10:36:28 19 down before this test was begun? Can you tell
10:36:30 20 from this?

10:36:30 21 MR. NUNLEY: Objection as to form.
10:36:34 22 Calls for speculation. The document speaks for
10:36:34 23 itself.

10:36:40 24 A. I can only answer what it says here.
10:36:40 25 It says, "Shut machine down."

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MANHATTAN REPORTING CORP.

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10:36:42 2 Q. And where are you looking?

10:36:44 3 A. Second page. Whether that was done
10:36:50 4 or not, I don't know.

10:36:50 5 Q. It says, "Machine room, shut machine
10:36:56 6 down and wash felt." That's just shutting the
10:36:56 7 machine room?

10:37:00 8 A. You're asking me to ^{guess} ~~go~~ here -- I
10:37:04 9 don't know if anything else was shut down or
10:37:06 10 not. I can tell you here it says shutting the
10:37:12 11 machine down, so they shut that process down.

10:37:12 12 Q. Can you tell whether or not, from
10:37:14 13 this document, I mean, you can't tell it all, but
10:37:16 14 can you tell what became of any DNCEL that would
10:37:18 15 have been generated in the course of this test
10:37:20 16 run?

10:37:26 17 A. You have to give me some time here.

10:37:28 18 Q. Okay.

10:37:36 19 MR. NUNLEY: Same objections as
10:37:38 20 before.

10:38:04 21 A. All right. What was your question?

10:38:06 22 Q. Can you tell what became of any DNCEL
10:38:12 23 that was generated in the course of this test?

10:38:16 24 MR. NUNLEY: Same objections as
10:38:16 25 before.

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MANHATTAN REPORTING CORP.

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10:38:26 2 A. No. I'm -- what I'm getting out of
10:38:28 3 it, I have to make assumptions here, but no.

10:39:08 4 Q. Do you know if any ART stems were
10:39:12 5 stored at Park 500?

10:39:20 6 A. You mean during the normal process
10:39:26 7 out back, or -- the only ones I know of is when
10:39:28 8 we dispose of the stems.

10:39:48 9 Q. Let's talk about that. What do you
10:39:48 10 know about the disposal of any ART stems?

10:39:54 11 MR. NUNLEY: Objection as to form.

10:39:58 12 A. I was part of a meeting where I was
10:40:16 13 asked if I could dispose of the ART stems in a
10:40:18 14 manner where I didn't contaminate my product and
10:40:22 15 so forth. And I gave them my recommendation of
10:40:24 16 how to do that.

10:40:26 17 Q. Do you know when this meeting was?

10:40:38 18 A. Let me think a minute. It was before
10:40:40 19 I was plant manager, so '93 -- somewhere between
10:40:46 20 '91 and '3, in at that time frame.

21 (Narron Exhibit 24 for
22 identification, sets of handwritten notes.)

10:41:12 23 Q. Mr. Narron, you've just been handed
10:41:14 24 what's been marked Exhibit 24, a set of notes,
10:41:28 25 actually sets of notes. They're marked with

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MANHATTAN REPORTING CORP.

1 Narron - Highly Confidential - Trade Secret
10:41:42 2 production number PB 118552 through PB 118558 or
10:41:42 3 2031410057 through 0063.
10:41:50 4 Could you just turn through these
10:41:52 5 quickly and tell me if you recognize any of the
10:41:54 6 handwriting.
10:41:56 7 A. Any of the handwriting?
10:41:58 8 Q. Yes. I guess it's all handwriting.
10:42:02 9 Any of the writing.
10:42:30 10 A. From the handwriting standpoint, no.
10:42:52 11 Q. I'm going to try to read the first
10:42:56 12 thing just to see if this refreshes your memory
10:42:58 13 here. The first item says, I think it's like a
10:43:00 14 heading, "Questions, concerns with utilizing
10:43:06 15 blending system to dispose of ART stems." Do you
10:43:10 16 see that?
10:43:10 17 A. That's what it looks like.
10:43:12 18 Q. Does that jog your memory about the
10:43:16 19 meeting you just referred to?
10:43:20 20 A. No. Not for that meeting. I asked
10:43:22 21 some people to tell me the concerns that we would
10:43:26 22 have to deal with to ensure that the ART stems
10:43:28 23 didn't ^{get in} ~~get~~ with our product. And they did some
10:43:36 24 brainstorming.
10:43:36 25 Q. You mean -- the ART stems get into

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10:43:38 2 your product, what do you mean?

10:43:42 3 A. So it would not get into our product
10:43:42 4 when we disposed of it.

10:43:52 5 Q. Do you remember the results of the
10:43:52 6 meeting?

10:43:58 7 A. The meeting you're talking about is
10:44:00 8 the one with my folks, or --

10:44:02 9 Q. Yes, the one with your folks. The
10:44:02 10 brainstorming meeting where you received I guess
10:44:06 11 suggestions.

10:44:08 12 A. They had -- they came up with a list
10:44:10 13 of concerns, and so we set out what were the
10:44:16 14 options we had to alleviate those concerns from a
10:44:20 15 contamination point.

10:44:22 16 Q. Who asked you to have this meeting?

10:44:26 17 A. I'm not sure I was asked. I'm not
10:44:30 18 sure I didn't generate the meeting.

10:44:30 19 Q. Well, who asked you to consider
10:44:36 20 disposing of the ART stems?

10:44:40 21 A. My boss.

10:44:42 22 Q. That's Mr. Whitman?

10:44:42 23 A. Mm-hmm.

10:44:52 24 Q. ^{Okay} What were the concerns that your
10:44:54 25 people raised at the meeting?

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10:45:02 2 A. If we could properly isolate
10:45:06 3 equipment and break lines apart to absolutely
10:45:12 4 ensure they wouldn't get in, how to staff it, how
10:45:14 5 many people would it take, how we were going to
10:45:16 6 pay for the manpower, those types of things.

10:45:26 7 Q. Was there a recommendation?

10:45:32 8 A. Yes.

10:45:32 9 Q. What was it?

10:45:38 10 A. I can tell you pieces of it. I can't
10:45:40 11 sit here and recall word for word what it was.
10:45:42 12 We looked at several options and decided on using
10:45:48 13 the pulpers on line 3 to mix the stems with
10:45:56 14 water, and dewatering screen to take it through
10:45:56 15 to segregate the liquor, the soluble material
10:46:00 16 from the stems, send the soluble material to the
10:46:02 17 waste treatment plant, and the stems to the
10:46:06 18 landfill.

10:46:08 19 Q. Do you remember what quantity of ART
10:46:14 20 stems you were asked to dispose of or consider
10:46:14 21 disposing of?

10:46:18 22 A. It was -- I don't remember the exact
10:46:28 23 number. I've been through so many offshore
10:46:34 24 materials that we buy in pounds, I'm not sure.

10:46:44 25 Q. And the proposal you just mentioned,

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MANHATTAN REPORTING CORP.

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10:46:50 2 which is to use the pulper in line 3, would that
10:46:52 3 proposal, if you implemented it, have required
10:46:54 4 line 3 to shut down?

10:47:04 5 A. I don't know. If breaking some
10:47:08 6 unions or piping or something required it, it
10:47:10 7 would. But sitting here I don't know that.

10:47:12 8 MR. NUNLEY: John, you mean -- I
10:47:14 9 think maybe you all disconnected. You mean for
10:47:20 10 the duration of the disposal as opposed to --

10:47:20 11 MR. PAYTON: Yes.

10:47:22 12 Q. If you were using line 3's pulper for
10:47:24 13 the purpose of disposing of ART stems, as the
10:47:32 14 suggestion was made to you, would you have to
10:47:32 15 shut line 3 down for the time that you were using
10:47:36 16 the pulper to dispose of the ART stems?

10:47:40 17 MR. NUNLEY: Objection. John, I know
10:47:44 18 you don't mean this, but your question suggests
10:47:44 19 there's only one pulper on line 3.

10:47:48 20 Q. How many pulpers are on line 3?

10:47:48 21 A. Two.

10:47:52 22 Q. Would using one of the pulpers on
10:47:54 23 line 3 for the purposes of disposing of the ART
10:47:54 24 stems as you just described require you to shut
10:47:58 25 down line 3 during the time you were using that

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10:48:02 2 one pulper for the disposal purpose?
10:48:06 3 A. No, it wouldn't.
10:48:08 4 Q. You can run line 3 with just one
10:48:10 5 pulper?
10:48:10 6 A. Yes.
10:48:20 7 Q. And do you know if the waste
10:48:32 8 treatment system at Park 500 could handle the
10:48:38 9 output of the pulper that was being used for the
10:48:44 10 ART stem disposal and at the same time handle the
10:48:46 11 outputs of the three lines if they were in
10:48:48 12 operation?
10:48:48 13 MR. NUNLEY: Objection as to form.
10:48:50 14 When you say "output of the pulper," I don't
10:48:52 15 think that's how it works.
10:48:58 16 A. Do I know if it could handle it?
10:48:58 17 Q. Yes.
10:48:58 18 A. The superintendent in that area told
10:49:02 19 me it could.
10:49:20 20 Q. Do you know what you finally did?
10:49:22 21 MR. NUNLEY: Objection as to form.
10:49:26 22 Q. With regard to the ART stems?
10:49:26 23 A. Took them to the pulper^{and} dewatering
10:49:30 24 screen, sent the liquor to the waste treatment
10:49:32 25 plant and landfilled the stems.

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10:49:36 2 Q. How long did it take?

10:49:42 3 A. I'll give you an estimate. I don't
10:49:42 4 know the exact length of time, but it seems to me
10:49:46 5 like it took two to three months. It took a
10:49:52 6 while.

10:49:56 7 Q. And do you know when this was done?

10:50:08 8 A. I would say my best guess is -- I
10:50:12 9 don't know the exact time we did it. My best
10:50:14 10 guess would be somewhere between '91 and '3.

10:50:28 11 Q. Where did you store the ART stems
10:50:30 12 that were being disposed of in this way before
10:50:36 13 they were disposed of?

10:50:40 14 A. When the plant Bermuda was running,
10:50:42 15 where did we store them?

10:50:44 16 Q. No. During this time --
10:50:44 17 A. ~~discarding them?~~ *While we were discarding them?*

10:50:46 18 Q. Yes. Where were they stored?

10:50:50 19 A. I don't know. I asked they be
10:50:52 20 isolated from the other product, but I don't know
10:50:54 21 the exact storage area they used.

10:51:08 22 Q. Do you recall seeing any documents
10:51:12 23 that were directions to you to dispose of the ART
10:51:22 24 stems in the way you just described? Was this
10:51:24 25 written down?

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10:51:26 2 MR. NUNLEY: Are you saying did he
10:51:28 3 receive directions?

10:51:28 4 MR. PAYTON: Yes.

10:51:30 5 A. In writing?

10:51:30 6 Q. Yes.

10:51:38 7 A. I don't recall any right now.

10:51:38 8 Q. Do you recall making records of the
10:51:44 9 disposal of ~~the stems~~ ^{these stems} in the way you just
10:51:48 10 described, that is, they go into the pulper, how
10:51:52 11 many stems were disposed of today, what was
10:51:54 12 transferred to the waste treatment, do you
10:51:54 13 remember any records like that?

10:51:56 14 MR. NUNLEY: Objection as to form.

10:52:00 15 A. No, I was not -- I don't know exactly
10:52:04 16 how it was done. I was not affiliated with that
10:52:06 17 while it was going on, other than the guidelines
10:52:12 18 that we laid down on how to do it.

10:52:12 19 Q. Were there written guidelines laid
10:52:14 20 down on how this should be done? *Or those were just oral?*

10:52:16 21 A. Those were verbal from me to the
10:52:18 22 management staff.

10:52:18 23 Q. Are you certain that these ART stems
10:52:20 24 were disposed of in the way you just described?

10:52:26 25 A. When you say "certain" --

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10:52:28 2 Q. Are you certain?

10:52:28 3 A. I trust the people that told me
10:52:30 4 that's how we got rid of them, yes.

10:52:32 5 Q. Who told you that?

10:52:32 6 A. Superintendent.

10:52:34 7 Q. Who was that?

10:52:38 8 A. Both the line superintendent at that
10:52:40 9 time or the area superintendent and -- Bill Estes
10:52:46 10 may have been the area superintendent at the
10:52:48 11 time. But the management staff in that group is
10:52:50 12 the manager and three superintendents, and they
10:52:50 13 all were aware of how we were disposing of it.

10:53:04 14 Q. Never seen a document that says,
10:53:04 15 we've finished, we've completed the disposal of
10:53:08 16 the ART stems, last batch done today?

10:53:14 17 A. ~~Sir, out of all the mail I read, I don't recall.~~
~~Noir, I don't recall.~~ You're asking
10:53:18 18 me to pick out a time. Sitting here, I don't.

10:53:42 19 Q. Is it likely there would be such
10:53:46 20 documentation?

10:53:48 21 MR. NUNLEY: Objection as to form.

10:53:52 22 Q. Maybe, maybe not, you say?

10:53:54 23 A. ~~I don't know~~ (witness needs in the affirmative.)

10:53:56 24 Q. Would there be documentation if you
10:54:00 25 had used ART stems as part of a blend of dry raw

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10:54:06 2 materials at Park 500, in the production run?
10:54:16 3 A. In a production run?
10:54:18 4 Q. Yes.
10:54:18 5 A. Production run, good quality product
10:54:20 6 we're making?
10:54:22 7 Q. Yes.
10:54:22 8 A. Should be, yes.
10:54:22 9 Q. Is it possible that would be one
10:54:24 10 where there would just be oral instructions and
10:54:26 11 no documentation?
10:54:26 12 A. No. We recorded the hogsheads and
10:54:32 13 what types of stems it is and so forth of each
10:54:34 14 component as we use it. So there would be a
10:54:42 15 record if it was in the production run.
10:55:00 16 Q. Would there be a similar record if it
10:55:02 17 was just a test run?
10:55:06 18 A. I can't say it would or it wouldn't
10:55:08 19 for a test run.
10:55:52 20 Q. If you had -- when you get a blend of
10:55:58 21 dry raw materials for use in a production run of
10:56:00 22 RL, what is it that shows in the documentation?
10:56:04 23 Just the blend, doesn't it?
10:56:08 24 A. ~~Well~~^{No}, there's a blend, then there's a
10:56:14 25 receiving department that records each hogshead

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10:56:14 2 of material that comes in.
10:56:16 3 Q. Yes.
10:56:16 4 A. And then as it goes through the
10:56:18 5 blending department, and I assume we still do
10:56:20 6 today, we used to record that hogshhead and that
10:56:24 7 number as it went through it, so you could trace
10:56:26 8 it all the way through the process.
10:56:30 9 Q. Okay. Wouldn't it just say "stems"
10:56:32 10 or "burley stems"?
10:56:36 11 A. I'm not sure. I know that we
10:56:38 12 distinguished between burley and bright stems,
10:56:46 13 and I know we distinguished between stems that
10:56:48 14 are ~~foreign or domestic~~ -- I don't know exactly ^{what else info} ~~what~~ was
10:56:54 15 in that system.
10:56:56 16 Q. So you don't know if the system would
10:56:56 17 distinguish between ART stems and burley stems?
10:57:04 18 MR. NUNLEY: Objection as to form.
10:57:06 19 A. I don't know. I don't know the exact
10:57:10 20 formula of putting that into the computer.
10:57:10 21 Q. So it may not reveal whether or not
10:57:12 22 the ART stems were used in the blend?
10:57:14 23 MR. NUNLEY: Objection. Calls for
10:57:16 24 speculation. He said he doesn't know.
10:57:18 25 Q. You don't know?

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10:57:18 2 A. I don't know.

10:57:36 3 Q. You said that the stems were
10:57:42 4 landfilled?

10:57:44 5 A. Yes.

10:57:44 6 Q. That is after they came out of the
10:57:50 7 pulper, the solid product of the pulper was
10:57:52 8 landfilled?

10:57:52 9 A. The stem was after the dewatering
10:57:56 10 screen removed the solubles.

10:57:58 11 Q. Are you aware of any documentation
10:57:58 12 that indicates that the stems were landfilled?

10:58:06 13 A. Am I aware of any documentation?
10:58:12 14 Today is Friday. The answer is yes.

10:58:16 15 Q. What is that?

10:58:20 16 A. I'm trying to get my days right.
10:58:26 17 Friday, Thursday -- I believe Wednesday. I went
10:58:28 18 back to the plant Tuesday or Wednesday. I can't
10:58:28 19 recall. And while I was there and asking how
10:58:36 20 things were running and so forth, I was told that
10:58:42 21 they had found some documentation that indicated
10:58:46 22 there was dumpsters of it that were taken to the
10:58:48 23 landfill.

10:58:48 24 Q. Who told you that?

10:58:48 25 A. Priscilla Jamison.

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10:58:54 2 Q. Did you see those documents or she

10:58:58 3 just told you --

10:59:00 4 A. No. She just verbally told me that.

10:59:02 5 Q. Who is Priscilla Jamison?

10:59:04 6 A. She's the current operations

10:59:08 7 manager.

10:59:12 8 Q. She's your operations manager?

10:59:12 9 A. Yes.

10:59:14 10 Q. She works for you?

10:59:14 11 A. Mm-hmm.

10:59:14 12 Q. Had you asked her to see if there was

10:59:18 13 documentation on the disposal of the stems?

10:59:20 14 A. No.

10:59:24 15 Q. How did she come to tell you that?

10:59:24 16 A. I just asked what's going on, how are

10:59:28 17 we running, what's happening.

10:59:30 18 Q. And she said --

10:59:32 19 REQ A. She mentioned they found some

10:59:34 20 documentation.

10:59:46 21 MR. PAYTON: Do we have that? Do you

10:59:52 22 have that? Are we going to get them? That was

10:59:56 23 yes, we're going to get them? Mr. Nunley?

11:00:00 24 MR. NUNLEY: You want me to commit to

11:00:04 25 it, John? I would like to look at it first and

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11:00:04 2 determine if its responsive, as everything else I

11:00:10 3 ~~look~~^{looked} at to determine if it's responsive, ~~before~~^{in case}

11:00:12 4 we ~~provide~~^{provided} it to you.

11:00:12 5 MR. PAYTON: That's all I wanted on

11:00:14 6 the record.

11:00:14 7 MR. NUNLEY: That's what I said.

11:00:20 8 MR. PAYTON: I want to break for five

11:00:24 9 minutes and figure out what else I have.

11:00:24 10 THE VIDEO OPERATOR: We're going off

11:00:24 11 the record. The time on the screen is 11:00:28.

11:00:30 12 (A recess was taken.)

11:08:18 13 THE VIDEO OPERATOR: We're back on

11:08:28 14 the record. The time on the screen is is

11:08:30 15 11:08:30.

11:08:42 16 Q. Mr. Narron.

11:08:42 17 A. Yes, sir.

11:08:42 18 Q. Mr. Narron, I had asked you earlier,

11:08:46 19 five, ten minutes ago, about who was

11:08:50 20 knowledgeable --

11:09:04 21 MR. PAYTON: I'm at page 338, and I'm

11:09:06 22 just going to refresh his recollection. You can

11:09:10 23 look at it. I'm just refreshing his

11:09:12 24 recollection.

11:09:12 25 Q. You were saying that the ART stems

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11:09:16 2 had been disposed of at Park 500. I asked you
11:09:20 3 who told you that. You said the superintendent.
11:09:24 4 I said, who was that. And you said at that time
11:09:30 5 it was Bill Estes, but the management staff in
11:09:34 6 the group is the manager and the three
11:09:34 7 superintendents, and they were all aware of how
11:09:38 8 we were disposing of it.

11:09:38 9 Do you recall who the manager and the
11:09:42 10 three superintendents were that you were
11:09:44 11 referring to?

11:09:48 12 A. Yes. I was probably the manager. If
11:09:52 13 it was '91 and '93 time frame, I'm probably at
11:09:56 14 that point in time the operations manager. The
11:10:00 15 three superintendents, they had one per line, and
11:10:04 16 the process control engineer reported to me.

11:10:08 17 And what we have is a PDMT, that's
11:10:14 18 called a production department management team,
11:10:16 19 and they'll give you updates, that we're doing
11:10:18 20 this, it's going okay, here is where we're at,
11:10:20 21 and we're doing it on daylight only or whatever.

11:10:22 22 Q. All oral?

11:10:22 23 A. Yes.

11:10:24 24 Q. Who were they?

11:10:28 25 A. Oh, I've got to think now. I believe

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11:10:44 2 Deborah Jenkins had the machine room area. At
11:10:46 3 that point in time it wasn't line oriented. We
11:10:48 4 were crossing machine -- I think she had the
11:10:50 5 machine room. Either her or Willy Hayes. I
11:10:54 6 can't recall. Probably her.

11:11:00 7 Stock prep may have been Dave
11:11:04 8 Barfield. He was there for a while. I don't
11:11:10 9 know if he's in that time frame, but about that
11:11:12 10 time frame. And Bill Estes, I believe at the
11:11:18 11 time he was the receiving, blending and shipping
11:11:20 12 departments.

11:11:22 13 And probably Dawn Saunders was the
11:11:28 14 superintendent of process engineering.

11:11:36 15 Q. And Dawn Saunders is the Dawn
11:11:36 16 Saunders we've seen who has written some of the
11:11:40 17 memos we've discussed?

11:11:42 18 A. I believe so.

11:11:44 19 Q. And we've seen some memos from Estes
11:11:48 20 as well?

11:11:48 21 A. Yes.

11:12:04 22 Q. Barfield, do you remember Barfield is
11:12:06 23 the person who wrote the memo to supervisors
11:12:12 24 about transferring liquor from line 1 to line 2,
11:12:14 25 that's the same Barfield?

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11:12:14 2 A. That's the one I'm referring to.

11:12:18 3 Q. You mentioned that in the last couple
11:12:20 4 of days, Tuesday, Wednesday, you talked to the
11:12:28 5 manager of operations, that's Priscilla Jamison.

11:12:30 6 A. Correct.

11:12:30 7 Q. And she told you that documentation
11:12:38 8 had been found that related to landfilling the
11:12:42 9 ART stems; is that right?

11:12:44 10 A. Mm-hmm. Yes.

11:12:46 11 Q. Did you have any other conversations
11:12:50 12 like that with persons at Philip Morris in the
11:12:56 13 last couple of days that relates to the subjects
11:12:58 14 we've been talking about at this deposition?

11:13:02 15 A. No, nothing other than someone says,
11:13:04 16 the lawyers let you go already? And I said,
11:13:08 17 well, it's still going on, or I'm just here for a
11:13:10 18 couple of hours at the plant or something.

11:13:12 19 Q. When I asked you if you had talked to
11:13:14 20 people at Philip Morris in preparation for your
11:13:16 21 deposition, I was trying to find out if you had
11:13:20 22 conversations like the one that you just
11:13:22 23 described you had with Ms. Jamison. Did you have
11:13:26 24 any others with persons --

11:13:28 25 MR. NUNLEY: Excuse me. I object to

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11:13:30 2 that. I think in his mind the conversation with
11:13:32 3 Priscilla was not a conversation in preparation
11:13:34 4 for this deposition.

11:13:34 5 MR. PAYTON: No, I understand that.

11:13:36 6 Q. But I'm saying information like that,
11:13:40 7 I am trying to see if you had conversations,
11:13:40 8 whether you thought it was in preparation for the
11:13:42 9 deposition, if it was on subjects that have come
11:13:46 10 up in the last two days and you just learned
11:13:48 11 something, can you think of any other
11:13:50 12 conversations like that?

11:13:50 13 A. No.

11:14:16 14 MR. PAYTON: I'm through.

11:14:24 15 MR. NUNLEY: You have the right
11:14:26 16 either to waive your signature or to read your
11:14:34 17 transcript. We're instructing the witnesses to
11:14:34 18 have it typed up and get you to read it and sign
11:14:36 19 it.

11:14:38 20 THE WITNESS: Okay. You'll get it to
11:14:38 21 me?

11:14:38 22 MR. NUNLEY: Yes, sir.

11:14:40 23 MR. PAYTON: Can I just say one other
11:14:40 24 thing on the record? I have not seen the
11:14:42 25 documents that -- I assume we're going to receive

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11:14:44 2 some of them. I think it's unlikely that this
11:14:48 3 witness is directly connected with the
11:14:48 4 documents. But if he is, obviously I will think
11:14:54 5 about whether or not -- it still may be that I
11:14:54 6 won't want to ask him any questions, but --

11:14:56 7 MR. NUNLEY: That's fair. Let me
11:14:58 8 just say that I think in terms of counting for
11:15:02 9 this deposition, and I'm not going to comment on
11:15:04 10 it one way or the other, but for the record, we
11:15:10 11 started yesterday at 9:00 and ran until 6:00, and
11:15:14 12 we started this morning at 8:15 or 8:20 and ran
11:15:16 13 to about 11:15.

11:15:18 14 Whether the count something in
11:15:18 15 three-hour increments or not, that's probably for
11:15:20 16 another discussion. But I just wanted to note
11:15:24 17 the time that we started and stopped.

11:15:28 18 MR. PAYTON: It's on the record.
11:15:28 19 Okay.

11:15:28 20 THE VIDEO OPERATOR: We're going off
11:15:28 21 the record. This ends the deposition. The time

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23

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James E. Narron 10/95
JAMES E. NARRON

8 Subscribed and sworn to before me
9 this 2 day of August, 1995.

10
11 Susan S Gray
12 My Commission Expires February 28, 1997

My Commission Expires February 28, 1997

C E R T I F I C A T E

I, LEE A. BURSTEN, a Registered Professional Reporter and Notary Public within and for the Commonwealth of Virginia, do hereby certify:

8 That JAMES E. NARRON, the witness
9 whose continued deposition is hereinbefore set
10 forth (pages 267 through 358) was previously duly
11 sworn, and that such continued deposition is a
12 true record of the testimony of said witness.

13 I further certify that I am not
14 related to any of the parties to this action by
15 blood or marriage, and that I am in no way
16 interested in the outcome of this matter.

17 IN WITNESS WHEREOF, I have hereunto
18 set my hand this 16th day of June, 1995.

Lee T. Buesler

LEE A. BURSTEN, R.P.R.

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1	Narron - Highly Confidential - Trade Secret		
2	(Narron Exhibit 15 for identification,		
3	collection of memos.).....	275	21
4	(Narron Exhibit 16 for identification,		
5	Park 500 interoffice correspondence		
6	from Kathy Hansen to Cherri Spellmeyer.		
7)	288	3
8	(Narron Exhibit 17 for identification,		
9	February 25, 1994 Philip Morris		
10	interoffice correspondence, from Jay		
11	Swain to G. Parker.).....	290	16
12	(Narron Exhibit 18 for identification,		
13	August 7, 1989, Park 500 interoffice		
14	correspondence from C.U. Spellmeyer to		
15	distribution.).....	296	22
16	(Narron Exhibit 19 for identification,		
17	one-page test request form, Production		
18	Quality and Technical Services, dated		
19	October 12, 1993.).....	305	3
20	(Narron Exhibit 20 for identification,		
21	two handwritten pages dated 11/20/90.)... 311		12
22	(Narron Exhibit 21 for identification,		
23	three-page memorandum from J.W. Swain		
24	to Floyd Johnson dated December 19,		
25	1990.).....	317	22

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1	Narron - Highly Confidential - Trade Secret		
2	(Narron Exhibit 22 for identification,		
3	a one-page Park 500 interoffice		
4	correspondence dated February 21, 1991,		
5	from John Whitman to S.C. Darrah.).....	325	4
6	(Narron Exhibit 23 for identification,		
7	Park 500 interoffice correspondence		
8	from J.H. Hensley and G.M. Pate to a		
9	distribution list.).....	331	16
10	(Narron Exhibit 24 for identification,		
11	sets of handwritten notes.).....	336	20
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